

285
L 521612
No 62-75
1916-28

Thompson

55558

1916

Sixty-Second Annual Report

of the

Board of Directors

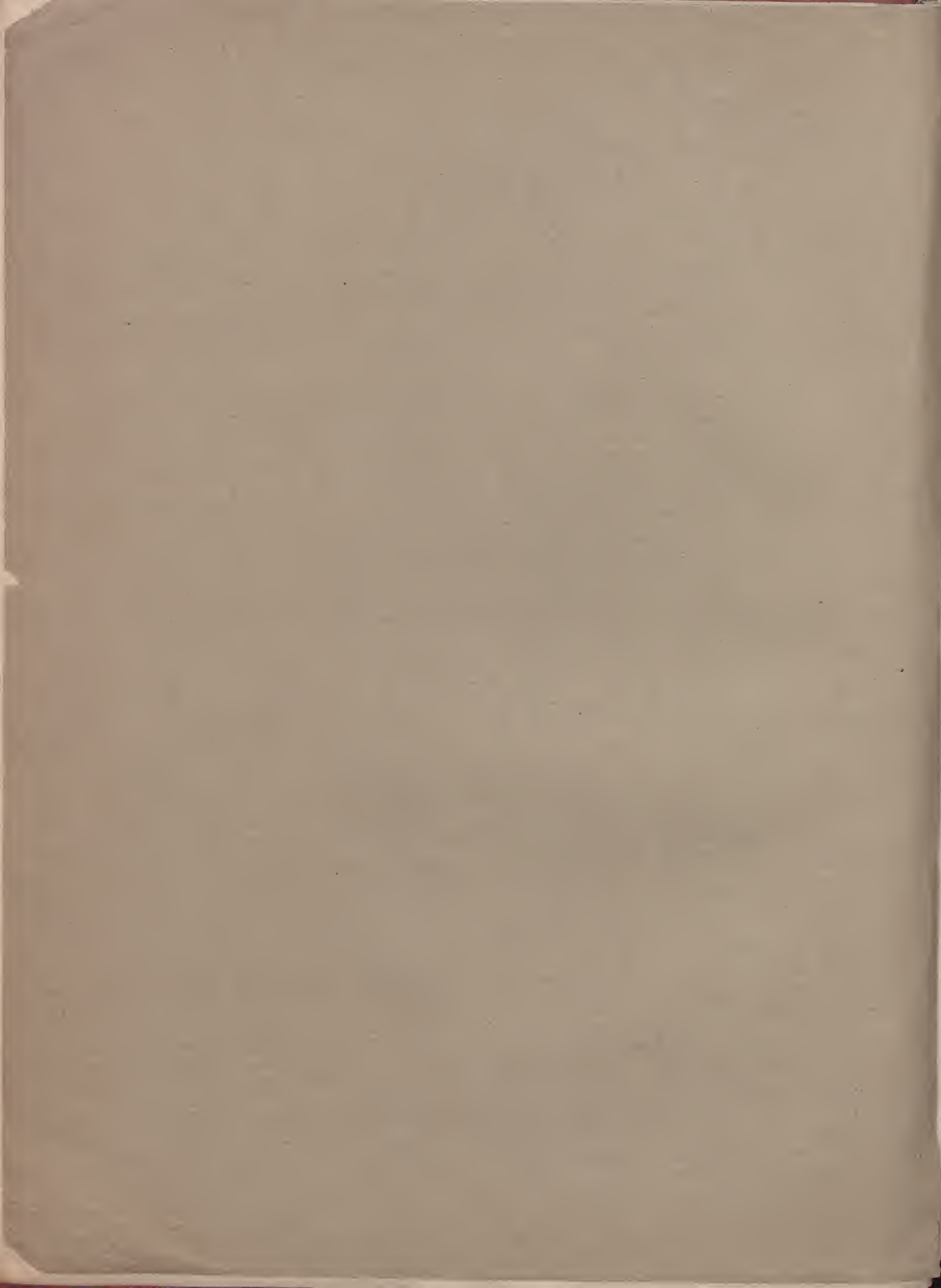
of the

Lehigh Valley Railroad Company

to the

Stockholders

Fiscal Year Ended June 30, 1916



Sixty-Second Annual Report

of the

Board of Directors

of the

Lehigh Valley Railroad Company

to the

Stockholders



Fiscal Year Ended June 30, 1916

Lehigh Valley Railroad Company

Board of Directors

GEORGE F. BAKER ✓

SAMUEL T. BODINE ✓

WILLIAM R. BUTLER ✓

MORRIS L. CLOTHIER ✓

WILLIAM P. CLYDE ✓

HENRY B. COXE ✓

FRED M. KIRBY ✓

EDWARD S. MOORE ✓

WILLIAM H. MOORE ✓

DANIEL G. REID ✓

EDWARD B. SMITH ✓

EDWARD T. STOTESBURY ✓

Officers

E. B. THOMAS *President*

J. A. MIDDLETON *Vice President*

F. L. BLENDINGER *Vice President*

T. N. JARVIS *Vice President*

L. D. SMITH *Vice President*

D. G. BAIRD *Secretary*

C. J. KULP *Treasurer*

J. I. MORRISON *General Auditor*

1916

Sixty-Second Annual Report

PHILADELPHIA, August 1, 1916.

To the Stockholders of the

LEHIGH VALLEY RAILROAD COMPANY.

The Board of Directors herewith submit the annual report of the business and condition of your Company for the fiscal year ended June 30, 1916.

MILEAGE

The first track mileage owned or controlled and operated by the Lehigh Valley Railroad Company, the main line of which is double track, extending from Jersey City, N. J., to Buffalo and Suspension Bridge, N. Y., is as follows:—

	MILES
Lehigh Valley Railroad Company	316.71
Controlled by ownership of entire capital stock	938.28
Controlled by ownership of majority of capital stock and lease	115.37
Operated under lease	27.63
Total mileage operated (owned or controlled)	1,397.99
Trackage rights over railroads owned by other companies	45.82
Total first track mileage	1,443.81

In addition to the above there are 596.47 miles, or 41.31 per cent., of second track, 99.51 miles of third track, 44.84 miles of fourth track and 1,270.19 miles of yard tracks and sidings, a total of 3,454.82 miles of track in operation at the close of the year. A detailed statement of track mileage is shown on pages 47 to 49. The average number of miles of railway operated for the year was 1,443.69, upon which the mileage statistics in certain tables submitted in this report are based.

The total increase of 57.49 track miles compared with the preceding year, is due almost entirely to the construction of additional yard tracks and sidings to take care of increased business.

1916

6

Lehigh Valley Railroad Company

OPERATING REVENUES AND EXPENSES

The following statement sets forth the total revenues and expenses and net revenue from operation for the fiscal year, compared with similar figures for the fiscal year 1915. The complete income account appears on page 24.

OPERATING REVENUES

FROM	1916	1915	INCREASE	DECREASE
Coal freight	\$18,811,099 51	\$19,195,755 50		\$384,655 99
Merchandise freight	20,363,250 65	16,005,501 45	\$4,357,749 20	
Passenger	4,300,182 81	4,043,799 00	256,383 81	
Mail	194,214 71	195,124 81		910 10
Express	673,962 09	449,622 82	224,339 27	
Other transportation	2,231,881 61	2,022,230 85	209,650 76	
Incidental	807,978 10	613,927 59	194,050 51	
Total operating revenues	\$47,382,569 48	\$42,525,962 02	\$4,856,607 46	

OPERATING EXPENSES

	1916	1915	INCREASE	DECREASE
Maintenance of way and structures . .	\$4,657,854 14	\$4,483,924 72	\$173,929 42	
Maintenance of equipment	9,364,628 69	8,207,491 18	1,157,137 51	
Traffic expenses	996,249 39	959,830 08	36,419 31	
Transportation expenses	17,090,113 67	15,382,186 83	1,707,926 84	
General expenses	984,131 72	913,954 73	70,176 99	
Total operating expenses	\$33,092,977 61	\$29,947,387 54	\$3,145,590 07	
NET OPERATING REVENUE	\$14,289,591 87	\$12,578,574 48	\$1,711,017 39	
Ratio of operating expenses to operating revenues	69.84 %	70.42 %		.58 %

OPERATING REVENUES**COAL FREIGHT**

The revenue derived from the transportation of coal and coke amounted to \$18,811,099.51, a decrease of \$384,655.99, or 2.00 per cent., as compared with the preceding twelve months. This decrease is due to the reduced revenue received from transportation of anthracite coal because of the lower rates ordered by the Interstate Commerce Commission effective April 1, 1916, and a decreased tonnage of that commodity as a result of the unsettled labor situation in the anthracite region during negotiations for a new contract between the miners and the operating coal companies.

The percentage of coal freight revenue to total operating revenues was 39.70 per cent., a decrease of 5.44 per cent.

The coal and coke transported, excluding the Company's supply coal, was 17,418,333 tons, an increase of 523,403 tons, or 3.10 per cent.

This class of tonnage was 52.58 per cent. of the total tonnage hauled during the year, a decrease of 3.24 per cent.

MERCHANDISE FREIGHT

The transportation of merchandise freight produced a revenue of \$20,363,250.65, an increase of \$4,357,749.20, or 27.23 per cent., as compared with the preceding year.

The revenue derived from the transportation of merchandise freight was 42.98 per cent. of the total operating revenues, an increase of 5.34 per cent.

The tonnage moved, excluding Company's material, was 15,706,852 tons, an increase of 17.45 per cent.

GENERAL FREIGHT

The total revenue derived from both coal and merchandise freight was \$39,174,350.16, an increase of \$3,973,093.21, or 11.29 per cent., as compared with the preceding twelve months.

The entire freight traffic amounted to 33,125,185 tons, an increase of 2,856,484 tons, or 9.44 per cent.

The number of tons carried one mile was 5,990,465,278, an increase of 664,136,376 ton miles, or 12.47 per cent.

The average haul was 180.84 miles, an increase of 4.87 miles, or 2.77 per cent.

The average revenue per ton was 118.262 cents, as compared with 116.296 cents last year, an increase of 1.966 cents, or 1.69 per cent.

Company's freight, not included in the above, amounted to 3,223,604 tons, an increase of 149,944 tons, or 4.88 per cent.

The total freight train mileage was 9,381,833 miles, an increase of 457,485 miles, or 5.13 per cent.

The revenue received per freight train mile was \$4.18, an increase of \$0.24, or 6.09 per cent.

The average trainload of revenue freight was 638.52 tons, an increase of 41.69 tons, or 6.99 per cent. Including Company's freight, the average trainload was 660.87 tons, an increase of 42.02 tons, or 6.79 per cent.

PASSENGER

The earnings received from passenger traffic amounted to \$4,300,182.81, an increase of \$256,383.81, or 6.34 per cent., compared with the preceding year.

The total number of passengers carried was 6,745,086, an increase of 1,538,114, or 29.54 per cent.

The number of passengers carried one mile increased 12,605,714, or 5.84 per cent.

The average distance traveled by each passenger was 33.84 miles, a decrease of 7.58 miles, or 18.30 per cent.

The average revenue per passenger was 63.753 cents, a decrease of 13.908 cents, or 17.91 per cent.

The average revenue per passenger per mile was 1.884 cents, an increase of .009 cent, or .48 per cent.

Passenger train mileage was 4,258,978, an increase of 34,791 miles, or .82 per cent., as compared with an increase in this revenue of 6.34 per cent.

The average revenue from passengers per passenger train mile was 100.97 cents, an increase of 5.24 cents, or 5.47 per cent.

MAIL

The sum of \$194,214.71 was received from the Federal Government for the transportation of United States mail, a decrease of \$910.10.

EXPRESS

The revenue from this class of business amounted to \$673,962.09, an increase of \$224,339.27.

OTHER TRANSPORTATION

The earnings derived from transportation other than shown under the preceding headings were \$2,231,881.61, an increase of \$209,650.76.

INCIDENTAL

Incidental revenue amounted to \$807,978.10, an increase of \$194,050.51.

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES

The sum of \$4,657,854.14 was expended for the maintenance of way and structures, an increase of \$173,929.42, or 3.88 per cent., as compared with the preceding year.

During the year sixteen steel bridges and thirteen concrete-steel bridges, replacing light iron or wooden bridges, were constructed. One new iron and one new wooden bridge were placed under new sidings to industrial plants and one iron bridge was built replacing a pipe culvert. One iron and six wooden bridges were replaced by pipe culverts and seven iron bridges were strengthened. Seven wooden bridges were replaced by ballasted floor creosoted timber bridges and two wooden bridges were abandoned and openings filled. One wooden bridge was replaced by a reinforced concrete box culvert and one new wooden lift bridge with pile trestle approach was built in connection with additional yard facilities.

2,037 tons of 136-pound rail, 1,608 tons of 110-pound rail, 10,311 tons of 100-pound rail and 11 tons of 90-pound rail, together with necessary frogs, switches, etc., were placed in the track.

1,040,219 tie plates and 151,969 anti-rail creepers were used.

1,079,157 cross ties, 2,360,231 feet B. M. switch ties, 1,343,407 feet B. M. bridge ties and lumber amounting to 4,096,998 feet B. M. were used.

663,683 of the cross ties, 1,700,293 feet B. M. of switch ties and 1,309,457 feet B. M. of bridge ties were treated with creosote.

96,120 cubic yards of crushed stone were used in ballasting track. 65,527 feet of drain tile were placed in the roadbed.

746.30 miles of copper and 238.15 miles of iron wire were used in extending and renewing the telephone, telegraph and signal wires on the system.

MAINTENANCE OF EQUIPMENT

The expenditures for the maintenance of equipment amounted to \$9,364,628.69, an increase of \$1,157,137.51, or 14.10 per cent., as compared with the preceding twelve months. Included therein is a charge of \$1,446,123.02 for the depreciation of equipment, as required by the accounting rules of the Interstate Commerce Commission.

Twenty-eight worn-out locomotives, one passenger car, one express car, one fruit car, 1,551 freight equipment cars and 161 road service cars were condemned and either sold or destroyed during the year and their value written off the books by appropriate charges through operating expenses.

Five passenger cars, fourteen express cars, two fruit cars, two combined passenger and baggage cars and two cafe cars were converted into workmen's cars. 193 produce cars were converted into ice cars. Three locomotive tenders were converted into water cars and together with 101 freight equipment cars were transferred to road service.

Thirty-two locomotives have been equipped with additional air pumps and eighty-nine with bull's-eye lubricators, to meet the requirements of the Interstate Commerce Commission.

In addition to the above, thirty-one locomotives were equipped with brick arches and stokers, thirteen with brick arches only and twenty-six with straight air.

Seventy-one locomotives had new fire boxes applied, one hundred and thirty-four locomotives were equipped with new cylinders and seventy-one locomotives had new boilers applied.

321 passenger equipment cars were painted and varnished and eleven equipped with electric lighting apparatus. Two dining cars were equipped with steel underframes.

Steel underframes were applied to 535 wooden freight and coal cars, making a total of 15,193 cars so equipped during the last eight years. Five 8-wheel cabooses were equipped with steel underframes. 2,982 wooden freight cars were equipped with metal draft arms. 4,970 freight equipment cars and 117 road service cars were equipped with safety appliances to conform to the requirements of the Interstate Commerce Commission.

The total number of locomotives on hand at the close of the year was 971, with a tractive power of 32,344,767 pounds. The total number of freight equipment cars was 43,836, with a capacity of 1,647,955 tons.

TRAFFIC EXPENSES

The expenditures under this heading amounted to \$996,249.39, an increase of \$36,419.31, as compared with the preceding twelve months.

TRANSPORTATION EXPENSES

The cost of conducting transportation was \$17,090,113.67, an increase of \$1,707,926.84, or 11.10 per cent., as compared with the preceding year.

The ratio of transportation expenses to total operating revenues was 36.07 per cent., a decrease of .10 per cent., as compared with the preceding year.

GENERAL EXPENSES

This class of expenses amounted to \$984,131.72, or 2.08 per cent., of the total operating revenues.

TAXES

The taxes accrued on your property, capital and business during the year amounted to \$1,806,620.29, an increase of \$6,361.13 over the preceding year.

ADDITIONS AND BETTERMENTS

The sum of \$10,642,896.12 was expended during the year for the improvement and development of existing property and for the acquisition of new property, which amount has been charged to the appropriate Capital Accounts, as required by the Interstate Commerce Commission. A classified statement of these expenditures appears on page 44. Specific mention is made of the more important expenditures, viz.:—

The new equipment purchased and added to the property during the year is as follows: Twenty-five freight locomotives, twenty switching locomotives, nine passenger locomotives, seven locomotive tenders, twenty steel underframe milk cars, four steel flat cars, twenty-five steel underframe 8-wheel cabooses, one service flat car, seven locomotive cranes, one motor inspection car and two workmen's cars. A portion of this equipment is covered by Equipment Trust, Series O, referred to in full under the heading "Financial."

In addition to the foregoing, orders have been placed for thirty-six Pacific type passenger locomotives, fifty-five freight locomotives, sixteen locomotive tenders, fifteen hundred 80,000-pound capacity box cars equipped with steel underframes and steel ends, twenty-five steel underframe 8-wheel cabooses, two all-steel dining cars and two locomotive cranes.

During the past fiscal year sixty-five heavy Consolidation type freight locomotives and ten 10-wheel freight locomotives were rebuilt and equipped with superheaters, new cylinders and Walschaert valve gears, which increases their efficiency and reduces the fuel consumption.

The new passenger station and train sheds at Buffalo, mentioned in the previous annual report, are nearing completion and will be placed in service about October 1, 1916. The freight terminal and yard were completed and put in operation in December, 1915.

The new ore pier at Constable Hook is well advanced and will be ready for the installation of machinery in September and for service early in the year 1917. Pier 8, North River, New York, has been completed and put in service. The substructure for Pier 44, East River, has been completed and contracts awarded for all other work in connection with a two-story pier and bulkhead shed. These facilities will be ready for service early this fall.

The modern steel and concrete coal handling plant at Tifft Farm, Buffalo, for handling coal from cars to boats, referred to in the last annual report, was completed and placed in service since the close of the fiscal year.

Work is under way in connection with the construction of a new engine terminal at Manchester, consisting of a 30-stall fireproof enginehouse with a 100-foot electrically operated turntable, together with machine shop and power plant. At Suspension Bridge a new 15-stall fireproof enginehouse with a 100-foot electrically operated turntable and necessary shop and power buildings is under construction. These improvements will greatly facilitate the making of minor repairs to locomotives and the prompt handling of the same. The new 50-stall fireproof enginehouse at Sayre was completed and put in service during the past winter.

To permit of the use of heavier power, the necessary work of strengthening forty-two bridges between Sayre and Manchester is now in progress, and in connection therewith sixteen passing sidings on the Seneca Division are being extended for a total distance of 9.73 miles.

293,779 feet, or 55.64 miles, of Company's sidings, and 19,219 feet, or 3.64 miles, of industrial sidings, were constructed during the year.

Owing to the unprecedented movement of eastbound traffic last fall and winter and the consequent congestion, it was necessary to enlarge the yards at Claremont, Oak Island, Perth Amboy, South Plainfield, Florence, South Bethlehem and Manchester to the extent of a total increased car capacity of 3,467 cars. Team delivery tracks were constructed at Canastota and Seneca Falls, providing additional room for nineteen and twelve cars, respectively. A freight sub-station with necessary sidings and driveways was constructed at Auburn.

A new 46-foot track scale and an auto-truck scale were installed at Suspension Bridge and Grand Street, Jersey City, respectively. Wagon scales were installed at Pier 34, New York, Corfu and Phelps.

Coaling plants, operated by air furnished from the locomotives taking coal, were constructed at Ithaca and Geneva.

Thirty-eight new gasoline motor cars for use of section, bridge, signal and telegraph gangs and two for the use of car inspectors, were purchased during the year, making a total of 149 now in service.

The improvement of the water supply system at Lchighton and Packerton, referred to in last year's report, has been completed. The water softening plants at Stafford, Maxwells and Rochester Junction have been remodelled and rebuilt, the improvements at the last mentioned point including a new 500,000-gallon reservoir. Steel tanks with capacities of 50,000 and 70,000 gallons, respectively, were erected at Perth Amboy and Stafford. A 30,000-gallon concrete reservoir was built at Stevenson.

Automatic disc signals between Penn Haven Junction and Wilkes-Barre, a distance of 48.09 miles, were replaced with automatic signals of the two-position, lower-quadrant

type. Automatic signals of the three-position, upper-quadrant type were installed between Lodi and Pittsburgh and Lehigh Junction, a distance of 71.07 miles, replacing signals of the two-position, lower-quadrant type. Similar signals were installed between Ashmore and Jeddo Tunnel, a distance of 1.54 miles. All automatic signals of the three-position, upper-quadrant type installed during the year were equipped with electric lights. Similar installations were also made on the automatic signals between Conway and Fairview, a distance of 11.35 miles, and on the Mountain Cut-off between Gracedale and Pittston Junction, a distance of 20.39 miles. An all-electric interlocking plant, together with the necessary outlying automatic signals, was erected at Ashmore, protecting the junctions of the Highland and Hays Creek Branches with the main line of the Mahanoy and Hazleton Division. An electro-mechanical interlocking plant was installed at Port Reading Junction, replacing a mechanical plant. Extensive improvements were made to the interlocking plants at Union Street, Allentown, Lehighton, Gracedale and Van Etten Junction.

Visible and audible crossing signals were placed at Dryden, Shed's Corners, Hinman, Beebe's Crossing, Victor and Lost Creek. Visible crossing signals were installed at Berwick and Northumberland Streets, White Haven, and South and Spring Streets, Groton.

A new trunk telephone line was erected between South Bethlehem and Sayre, a distance of 182.40 miles, to relieve congestion on the old line and to form part of a through line to Buffalo, to be erected later. In addition to this, new telegraph and telephone lines were erected for a distance of 1.75 miles on the New Jersey and Lehigh Division; 1.25 miles on the Mahanoy and Hazleton Division; .90 mile on the Wyoming Division, and .25 mile on the Buffalo Division. Telegraph and telephone pole lines were rebuilt for a distance of 2.60 miles on the New Jersey and Lehigh Division; 1.50 miles on the Mahanoy and Hazleton Division; 64.95 miles on the Wyoming Division; 2 miles on the Seneca Division; 3 miles on the Auburn Division, and 6 miles on the Buffalo Division. Poles were reset for a distance of .50 mile on the New Jersey and Lehigh Division; 9.60 miles on the Mahanoy and Hazleton Division; 28.50 miles on the Wyoming Division, and 48.70 miles on the Auburn Division.

FINANCIAL

To make adequate provision for acquiring additional terminal lands and facilities, the purchase of equipment and other contemplated expenditures for improvements to the property, your Company issued under its General Consolidated Mortgage, dated September 30, 1903, \$11,697,000 Four and One-half Per Cent. Gold Bonds maturing May 1, 2003. Of these bonds \$1,000,000 were placed in the treasury and \$10,697,000 were sold, the proceeds of which either have been or will be used for the above purposes.

The only new capital obligations incurred by your Company since the increase in the capital stock in 1910 (at which time 403,338 shares were sold to the stockholders at par, producing funds of \$20,166,900), are the \$10,000,000 General Consolidated

Lehigh Valley Railroad Company

Mortgage Bonds sold in 1913, and the \$10,697,000 of similar bonds sold during the past year. Since July 1, 1910, capital expenditures (referred to in the annual reports) have been made for the retirement of securities in possession of the public, acquisition of new property and improvements to existing property, as follows:—

Securities held by public, retired.....	\$20,114,537.66
New construction and additions and betterments chargeable to Capital Accounts of Lehigh Valley Railroad and subsidiary companies.	19,977,152.15
Rolling stock and floating equipment.....	16,419,838.27

Total, July 1, 1910, to June 30, 1916, inclusive.....	\$56,511,528.08
Proceeds of increase in capital stock in 1910.....	\$20,166,900.00

Proceeds of sale of \$20,697,000 General Consolidated

Mortgage 4½% Bonds as follows:—

\$10,000,000 sold December, 1913....	\$9,000,000	
10,697,000 sold April, 1916.....	10,536,545	
		\$19,536,545.00
		39,703,445.00

Excess of capital expenditures over proceeds of sale of capital obligations.....	\$16,808,083.08
--	-----------------

It will be observed from the foregoing that to the close of the past fiscal year there has been expended by your Company \$16,808,083.08 in excess of the amount realized by the increase in capital stock and the sale of bonds, which has been provided out of the Company's current cash resources.

The following obligations of your Company matured and were retired during the year:—

DESCRIPTION	INTEREST RATE	MATURITY	AMOUNT
Collateral Trust Bonds	4%	Feb. and Aug.	\$1,000,000
Equipment Trust, Series I, Certificates	4%	September	400,000
Equipment Trust, Series J, Certificates	4½%	Mar. and Sept.	500,000
Equipment Trust, Series K, Certificates	4%	Mar. and Sept.	300,000
Equipment Trust, Series L, Certificates	4½%	April and Oct.	400,000
Equipment Trust, Series M, Certificates	4½%	March	200,000
Total			\$2,800,000

The Lehigh-Buffalo Terminal Railway Corporation, under authority of the Public Service Commission of New York State, issued to your Company \$50,000 of its capital stock and \$3,740,000 Fifty-Year Five Per Cent. Debenture Bonds to repay advances made for the construction of the new freight and passenger terminals at Buffalo, which are now nearing completion. These debenture bonds will remain in your treasury until permanent financing can be arranged by the Terminal Company.

A new company has been incorporated, known as the Lehigh Valley Harbor Terminal Railway Company, to take title to such real estate as may be purchased for the purpose of providing additional terminal facilities at the Jersey City water front and to make such expenditures in connection with these facilities as may be authorized from time to time. That corporation has issued to your Company \$100,000 of its capital stock and also its notes, bearing interest at the rate of five per cent. per annum, aggregating \$2,976,336.05 on account of advances already made. The notes have been placed in the treasury pending further provision for the financing of this project.

An Equipment Trust, designated Series O, was created during the year under which will be issued \$3,000,000 Four and One-half Per Cent. Certificates, maturing in annual installments of \$500,000 September 1st of each year, the final maturity being September 1, 1922. These certificates will be a lien upon forty freight locomotives, fifteen switching locomotives and fifteen hundred box cars, now under contract with the builders. A portion of this equipment has been delivered and upon receipt of the remainder the certificates will be issued and placed in the treasury.

An additional Equipment Trust, to be known as Series R, has also been authorized. This trust will cover an issue of \$2,400,000 Four and One-half Per Cent. Certificates, maturing in semi-annual installments of \$200,000 March 1st and September 1st of each year, the last installment falling due September 1, 1922. Under this arrangement the Company will acquire seventy locomotives of the latest design. Forty of these, known as the Santa Fe, or 2-10-2, type, will be used exclusively in freight service and thirty, of the Pacific type, although primarily for use in fast freight service, will be so equipped as to make them available for passenger service also. This equipment is now under contract and will be delivered in the near future at which time the certificates will be issued and placed in the treasury.

The advances made by the Lehigh Valley Railroad Company to subsidiary companies, of which it owns the entire capital stock, were reimbursed by issues of Fifty-Year Five Per Cent. Gold Debenture Bonds, as follows:—

The Lehigh Valley Rail Way Company.....	\$1,100,000
Lehigh Valley Railroad Company of New Jersey.....	585,000
Pennsylvania and New York Canal and Railroad Company.....	445,000

These securities have been deposited with the Trustee, as required by the terms of the General Consolidated Mortgage.

There have also been received and placed in the Company's treasury \$60,000 Wyoming Valley Water Supply Company First Mortgage Five Per Cent. Bonds in repayment of advances made to that company for capital expenditures.

The book value of the capital stock of Coxie Brothers & Company, Incorporated, has been reduced by the sum of \$1,000,000 and Profit and Loss charged with that amount, as has been the practice in preceding years.

There has been a further reduction in the par value of the capital stock of the Temple Iron Company, resulting from the liquidation of the anthracite business of that company, mention of which was made in last year's annual report. There has also been a reduction in the par value of the capital stock of the Philadelphia Grain Elevator Company.

Material and Supplies on hand at the close of the year amounted to \$3,371,895.07, an increase of \$465,887.44. This increase is principally due to the accumulation of large stocks of locomotive supply coal last winter, in anticipation of a possible suspension of mining in the bituminous regions pending negotiations for a new agreement between the coal operators and their employees. This coal is now being used and the stock on hand will be reduced to normal within the next few months.

Current Assets are \$13,351,729.16 in excess of Current Liabilities.

Four quarterly dividends of two and one-half per cent. each on the preferred and common capital stocks of the Company were declared and paid during the year.

The cash and security balances of the Company for the year have been verified by certified public accountants and a copy of their certificate as to the correctness of the same is given on page 19.

GENERAL REMARKS

The revenues of your Company for the year under review are the greatest in its history and show a substantial increase over the preceding year. A large portion of the increased earnings has been devoted to a very liberal expenditure for the maintenance of property, particularly in the case of equipment. Your Company has for years pursued the policy of discarding its old wooden freight cars as fast as they reached a condition to require heavy repairs and has condemned a great many of the same during the year. On such equipment of this type as is still serviceable, heavy expenditures have been made for steel underframes, a practice which has been pursued aggressively in the past and to a greater extent during the year just closed, as the demand for equipment increased. With the work that has been done and the work now under way, your Company will have within the next few months practically no freight equipment that is not either all-steel or steel underframe. Very substantial charges to expenses have also been made for the condemnation of old locomotives too light for economical operation and for the remodelling of such engines as were still serviceable but not of the proper degree of efficiency. The expense for maintenance of way and structures has likewise increased, the earnings for the year having permitted of a liberal policy in this respect also.

With the improvement in general business and the encouraging outlook for a continuation of the heavy volume of traffic, and as well that your Company may be in a position to handle the increased business as efficiently as possible, heavy expenditures for additional

facilities have been authorized during the year. These improvements have either been completed (as set forth under the heading "Additions and Betterments") or are now under way. The more important are extensive terminal developments, the purchase of additional rolling stock and floating equipment, the more rapid replacement of various bridges with stronger structures thereby permitting the use of the heaviest type of power and greater trainloads, extensions of tracks and sidings, and the construction of additional roundhouses with facilities for making prompt repairs to locomotives.

It will be noted that the item "Hire of Equipment" for the year shows a debit balance of \$1,040,296.86. This is due entirely to the unusual conditions which confronted practically all those railroads terminating at the eastern seaboard which were called upon to deliver to the European-bound vessels the vastly increased exports due to the war abroad. Harbor facilities generally had not been built to take care of such a volume of traffic as resulted. Emergency measures at increased expense were necessary to relieve the congested conditions, which at one time were very serious. This resulted in a large accumulation of the cars of other railroads, particularly those from western points, the lading of which, destined to foreign-going steamships, your Company was unable to unload with any degree of promptness. Under the general railroad rules, per diem is paid to other companies for their equipment while on the lines of your Company and vice versa. This unusual condition, which existed practically throughout the year and which your Company was powerless to prevent, caused the large debit for rental of equipment above mentioned. This congestion also added very materially to the expense of handling freight, without any corresponding increase in revenue. Then, too, the demand for raw products used largely in the manufacture of commodities going abroad, caused increases in the prices of all materials and supplies required in railroad operation and added considerably to the cost of operation, a condition which still exists.

The Interstate Commerce Commission ordered a substantial reduction in the rates for the transportation of anthracite coal, effective April 1, 1916, which has caused a corresponding reduction in the revenues derived from the movement of that commodity. This investigation was ordered by the Commission upon its own initiative and was under review for over three years.

The Interstate Commerce Commission notified your Company that the Federal valuation of your property would be made as of July 1, 1917. The field and office work preparatory to making a detailed inventory is well under way, thirty-three men being engaged in the preparation of the necessary data. The cost to your Company of this work since July 1, 1913, the date the revised classification issued by the Commission provided for the separation of this class of expense, amounts to \$132,429.25.

Six new covered barges, one gasoline derrick barge and one motor boat were received during the year and added to the floating equipment of the Lehigh Valley Transportation Company, the entire capital stock of which is owned by your Company. In addition to the foregoing, orders have been placed for one steel tug, one steel steam lighter, four

90-foot wooden barges, one 120-foot wooden barge, three steel 8-car floats, and four steel 12-car floats. One wooden sea-going barge, fully covered by insurance, was lost at sea. Two ear floats, one tug, one grain boat and nine coal barges, which, on account of age and small capacity, became undesirable for further service, were condemned and sold. The floating equipment used by your Company and its affiliated companies is shown in detail on page 46.

Although the decision of the Interstate Commerce Commission, referred to in the last annual report, prohibited the Lehigh Valley Transportation Company from operating after December 1, 1915, its six vessels on the Great Lakes, used for the transportation of freight between Buffalo and points west, they are being operated during the present season of navigation through an injunction obtained from the courts. This matter is still in litigation, as final determination has not yet been reached.

The operation of the Lehigh and New York Railroad, which property is leased and operated by your Company under an agreement made in 1895, has resulted in a loss of \$223,061.75 for the year.

Sixty-one new industries were located on the system during the year, of which fifty-one have direct track connections with your Company's lines.

The total payments direct to labor for the year amounted to \$19,256,182.78, or 58.19 per cent. of the total operating expenses, the same having been distributed among an average of 23,815 employees.

The contribution made by your Company to its Employees' Relief Fund amounted to \$54,815.00. This fund was started in 1878 and with one exception is the oldest relief fund in the United States. Since its establishment and up to the close of the year ended June 30, 1916, the payments made by it have amounted to \$2,169,702.29. Of this the employees subscribed one-half, while your Company contributed the other portion.

Mr. Samuel T. Bodine, of Philadelphia, was elected a Director, to fill the vacancy caused by the resignation of Mr. Abram Nesbitt.

Acknowledgment is made of the faithful and efficient services rendered by the employees of your Company during the year.

E. B. THOMAS,
President.

1916

Lehigh Valley Railroad Company

19

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

30 BROAD STREET

NEW YORK

CABLE ADDRESS "HASKSELLS"

WATERTOWN
BALTIMORE
PITTSBURGH
CLEVELAND
CHICAGO
ST. LOUIS
ATLANTA
DENVER
SAN FRANCISCO
LONDON, E. C.

NEW YORK, July 31, 1916.

Mr. E. B. Thomas, President,

Lehigh Valley Railroad Company,

Philadelphia, Pennsylvania.

DEAR SIR:

Pursuant to engagement, we have audited the books and accounts of the Lehigh Valley Railroad Company for the fiscal year ended June 30, 1916, including confirmation of the accounts representing cash, securities, and notes, either by physical examination of such assets or by obtaining certifications of depositaries and trustees as to their custody; and

WE HEREBY CERTIFY that the accompanying Income and Profit & Loss accounts for the year and General Balance Sheet at the close of the year are correct.

Yours truly,

(Signed), HASKINS & SELLS,

Certified Public Accountants.



STATEMENTS

INDEX TO STATEMENTS

	PAGE
Income account	24
Profit and loss account	25
General balance sheet	26-27
Funded debt	28
Rentals of leased roads and guaranties	29
Securities owned	30-31
Monthly operating revenues and expenses	32-33
Classification of operating expenses	34-37
Operating revenues and expenses for years 1907 to 1916, inclusive	38
Train and car statistics	39
Statistics of operating revenues and expenses	40-41
Performance of locomotives	42-43
Classification of additions and betterments	44
Classification of tonnage	45
Inventory of equipment	46
Mileage of track operated	47-49
Information concerning funded debt and guaranties	53-57

1916

24

Lehigh Valley Railroad Company

COMPARATIVE INCOME ACCOUNT FOR THE YEARS ENDED JUNE 30, 1916 AND 1915

	1916	1915	INCREASE	DECREASE
OPERATING REVENUES:—				
Coal freight revenue	\$18,811,099 51	\$19,195,755 50		\$384,655 99
Merchandise freight revenue	20,363,250 65	16,005,501 45	\$4,357,749 20	
Passenger revenue	4,300,182 81	4,043,799 00	256,383 81	
Mail revenue	194,214 71	195,124 81		910 10
Express revenue	673,962 09	449,622 82	224,339 27	
Other transportation revenue	2,231,881 61	2,022,230 85	209,650 76	
Incidental revenue	807,978 10	613,927 59	194,050 51	
Total operating revenues	\$47,382,569 48	\$42,525,962 02	\$4,856,607 46	
OPERATING EXPENSES:—				
Maintenance of way and structures	\$4,657,854 14	\$4,483,924 72	\$173,929 42	
Maintenance of equipment	9,364,628 69	8,207,491 18	1,157,137 51	
Traffic expenses	996,249 39	959,830 08	36,419 31	
Transportation expenses	17,090,113 67	15,382,186 83	1,707,926 84	
General expenses	984,131 72	913,954 73	70,176 99	
Total operating expenses	\$33,092,977 61	\$29,947,387 54	\$3,145,590 07	
Ratio of operating expenses to operating revenues	69.84 %	70.42 %		.58 %
Net operating revenue	\$14,289,591 87	\$12,578,574 48	\$1,711,017 39	
RAILWAY TAX ACCRUALS				
UNCOLLECTIBLE RAILWAY REVENUES	\$1,706,092 64	\$1,691,989 33	\$14,103 31	
Total tax accruals, etc.	8,785 37	14,781 88		\$5,996 51
	\$1,714,878 01	\$1,706,771 21	\$8,106 80	
OPERATING INCOME	\$12,574,713 86	\$10,871,803 27	\$1,702,910 59	
OTHER INCOME:—				
Joint facility rent income	\$254,530 78	\$325,579 07		\$71,048 29
Dividend income	903,312 76	712,998 77	\$190,313 99	
Income from funded securities	431,190 01	428,027 08	3,162 93	
Miscellaneous income	1,077,492 47	544,414 27	533,078 20	
Total other income	\$2,666,526 02	\$2,011,019 19	\$655,506 83	
TOTAL INCOME	\$15,241,239 88	\$12,882,822 46	\$2,358,417 42	
DEDUCTIONS FROM INCOME:—				
Hire of equipment—Debit balance	\$1,040,296 86	\$68,807 74	\$971,489 12	
Interest on funded debt	3,500,436 65	3,459,738 48	40,698 17	
Rent for leased roads	2,142,589 24	2,142,589 24		
Joint facility rents	212,625 23	208,613 37	4,011 86	
Miscellaneous rents	536,031 56	513,310 98	22,720 58	
Miscellaneous tax accruals	100,527 65	108,269 83		\$7,742 18
Miscellaneous deductions	42,292 78	59,047 86		16,755 08
Total deductions from income	\$7,574,799 97	\$6,560,377 50	\$1,014,422 47	
NET INCOME	\$7,666,439 91	\$6,322,444 96	\$1,343,994 95	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1916

	Dr.	Cr.
Balance, July 1, 1915		\$23,692,716 88
Net income for year ended June 30, 1916		7,666,439 91
Profit from liquidation of stock of Temple Iron Co. and Philadelphia Grain Elevator Co.		132,344 00
Reduction of book value of capital stock of Coxe Brothers & Co., Inc. . .	\$1,000,000 00	
Readjustment account transfer of real estate	246,078 30	
Discount and expense on General Consolidated Mortgage Bonds sold . .	179,194 00	
Property abandoned	13,408 24	
Miscellaneous adjustments	30,157 32	
Dividends:		
Two and one-half per cent. on preferred stock, paid		
Oct. 9, 1915	\$2,657 50	
Two and one-half per cent. on common stock, paid		
Oct. 9, 1915	1,512,542 50	
Two and one-half per cent. on preferred stock, paid		
Jan. 8, 1916	2,657 50	
Two and one-half per cent. on common stock, paid		
Jan. 8, 1916	1,512,542 50	
Two and one-half per cent. on preferred stock, paid		
April 8, 1916	2,657 50	
Two and one-half per cent. on common stock, paid		
April 8, 1916	1,512,542 50	
Two and one-half per cent. on preferred stock, due		
July 8, 1916	2,657 50	
Two and one-half per cent. on common stock, due		
July 8, 1916	1,512,542 50	
Balance, June 30, 1916	6,060,800 00	
	23,961,862 93	
	\$31,491,500 79	\$31,491,500 79
Balance brought forward, July 1, 1916		\$23,961,862 93

Lehigh Valley Railroad Company

GENERAL BALANCE

Dr.

ASSETS

INVESTMENT IN ROAD AND EQUIPMENT:—		
Investment in road	\$24,713,339 85	
Investment in equipment	56,587,605 78	
	\$81,300,945 63	
Less reserve for accrued depreciation	9,437,840 57	
		\$71,863,105 06
INVESTMENT IN MISCELLANEOUS PHYSICAL PROPERTY		2,030,270 66
INVESTMENTS IN AFFILIATED COMPANIES:—		
Stocks	\$46,082,986 52	
Bonds	32,745,926 00	
Notes	3,190,086 05	
Advances	200,474 65	
		82,219,473 22
OTHER INVESTMENTS:—		
Stocks	\$259,869 00	
Bonds	34,000 00	
Miscellaneous	307,279 00	
		601,148 00
CURRENT ASSETS:—		
Cash	\$15,126,594 94	
Net balance receivable from agents and conductors	1,694,305 37	
Miscellaneous accounts receivable	1,522,844 62	
Material and supplies	3,371,895 07	
Interest and dividends receivable	220,361 17	
Other current assets	261,361 85	
		22,197,363 02
DEFERRED ASSETS		1,536,524 52
UNADJUSTED DEBITS:—		
Rents and insurance premiums paid in advance	\$146,727 52	
Other unadjusted debits	1,478,278 23	
		1,625,005 75
TOTAL ASSETS		\$182,072,890 23

1916

Lehigh Valley Railroad Company

27

SHEET, JUNE 30, 1916

Cr.

LIABILITIES

CAPITAL STOCK:—		
1,210,034 shares common stock, par \$50.	\$60,501,700 00	
2,126 shares preferred stock, par \$50.	106,300 00	
		\$60,608,000 00
FUNDED DEBT:—		
Mortgage bonds	\$89,336,000 00	
Collateral trust bonds	10,000,000 00	
Equipment trust obligations	4,400,000 00	
Mortgage on real estate	1,669 18	
	\$103,737,669 18	
Less securities held in treasury of the Company	18,706,000 00	
		85,031,669 18
CURRENT LIABILITIES:—		
Traffic and car-service balances payable	\$457,921 39	
Audited accounts and wages payable	4,595,329 66	
Miscellaneous accounts payable	239,172 86	
Interest matured unpaid	403,365 00	
Dividends matured unpaid	6,791 00	
Funded debt matured unpaid	17,000 00	
Unmatured dividends declared	1,515,200 00	
Unmatured interest accrued	615,745 97	
Unmatured rents accrued	350,806 01	
Other current liabilities	644,301 97	
		8,845,633 86
DEFERRED LIABILITIES		1,568,280 04
UNADJUSTED CREDITS:—		
Tax liability	\$503,367 20	
Other unadjusted credits	1,554,077 02	
		2,057,444 22
PROFIT AND LOSS		23,961,862 93
TOTAL LIABILITIES		\$182,072,890 23

Lehigh Valley Railroad Company

STATEMENT OF FUNDED DEBT, JUNE 30, 1916

DESCRIPTION	DATE OF MATURITY	INTEREST			PRINCIPAL
		Rate	Payable	Accrued During the Year	
Lehigh Valley Railroad Company:—					
First Mortgage Bonds	June 1, 1948	4%	June and Dec.	\$200,000 00	\$5,000,000 00
Consolidated Mortgage Bonds:—					
Coupon \$1,319,000	Dec. 1, 1923	6%	June and Dec.		
Registered 4,319,000	"	6%	"		
Annuity 10,062,000	Perpetual	6%	"	942,000 00	15,700,000 00
Coupon \$1,669,000	Dec. 1, 1923	4½%	"		
Registered 3,093,000	"	4½%	"		
Annuity 2,538,000	Perpetual	4½%	"	328,500 00	7,300,000 00
General Consolidated Mortgage Bonds	May 1, 2003	4%	May and Nov.	1,065,560 00	26,639,000 00
Collateral Trust Bonds.	\$500,000 semi-annually, to Feb. 1, 1926	4½%	"	551,621 50	20,697,000 00
		4%	Feb. and Aug.	369,530 00	8,944,000 00
Equipment Trust, Series J, Certificates	\$250,000 semi-annually, to Sept. 1, 1917	4½%	Mar. and Sept.	43,125 00	750,000 00
Mortgage on Real Estate.				100 15	1,669 18
		Total		\$3,500,436 65	

Total amount of Funded Debt outstanding \$85,031,669 18

Amount of Funded Debt in the Treasury of the Company, viz:—

General Consolidated Mortgage 4% Bonds	13,000,000 00
General Consolidated Mortgage 4½% Bonds	1,000,000 00
Collateral Trust 4% Bonds	1,056,000 00
Equipment Trust, Series I, 4% Certificates maturing \$400,000 annually to September 1, 1916 . .	400,000 00
Equipment Trust, Series K, 4% Certificates maturing \$150,000 semi-annually to September 1, 1917 .	450,000 00
Equipment Trust, Series L, 4½% Certificates maturing \$200,000 semi-annually to October 1, 1919 .	1,400,000 00
Equipment Trust, Series M, 4½% Certificates maturing \$200,000 annually to March 1, 1923 . .	1,400,000 00

Total Funded Debt, per balance sheet \$103,737,669 18

Details of the several above mortgages will be found on pages 53 to 57.

RENTALS OF LEASED ROADS AND GUARANTIES, YEAR ENDED JUNE 30, 1916

GUARANTIES	PRINCIPAL	DATE OF MATURITY	INTEREST		
			Rate	Payable	Accrued during the year
Lehigh Valley Terminal Ry. Co.:—					
First Mortgage Bonds	\$10,000,000	Oct. 1, 1941	5%	April and Oct.	\$500,000 00
Easton and Amboy R. R. Co.:—					
First Mortgage Bonds	6,000,000	May 1, 1920	5%	May and Nov.	300,000 00
Easton and Northern R. R. Co.:—					
First Mortgage Bonds	51,090	Nov. 1, 1935	4½%	May and Nov.	2,295 00
Penna. and New York Canal and R.R.Co.:—					
Consolidated Mortgage Bonds	4,000,000	April 1, 1939	5%	April and Oct.	200,000 00
Consolidated Mortgage Bonds	1,500,000	"	4½%	"	67,500 00
Consolidated Mortgage Bonds	3,000,000	"	4%	"	120,000 00
Lehigh and New York R. R. Co.:—					
First Mortgage Bonds	2,000,000	Sept. 1, 1945	4%	March and Sept.	80,000 00
The Lehigh Valley Rail Way Co.:—					
First Mortgage Bonds	15,000,000	July 1, 1940	4½%	Jan. and July	675,000 00
Middlesex Valley R. R. Co.:—					
First Mortgage Bonds	200,000	Nov. 1, 1942	5%	May and Nov.	10,000 00
The Lehigh and Lake Erie R. R. Co.:—					
First Mortgage Bonds	3,000,000	March 1, 1957	4½%	March and Sept.	135,000 00
Total	\$44,751,000				\$2,089,795 00
RENTALS					
State Line and Sullivan R. R. Co.					40,000 00
Raritan Terminal and Transportation Co.					2,000 00
New York Central R. R. Co.					10,794 24
Total rent for leased roads					\$2,142,589 24

Details of the several above mortgages will be found on pages 53 to 57.

Lehigh Valley Railroad Company

STATEMENT OF SECURITIES OWNED—NOT PLEDGED

IN TREASURY		PAR VALUE
BONDS		
Lehigh Valley Railroad Co., General Consolidated Mortgage (4%)		\$13,000,000 00
Lehigh Valley Railroad Co., General Consolidated Mortgage (4½%)		1,000,000 00
Lehigh Valley Railroad Co., Collateral Trust		1,056,000 00
Consolidated Real Estate Co., First Mortgage		2,600,000 00
Easton and Northern Railroad Co., First Mortgage		249,000 00
Greenville and Hudson Railway Co., First Mortgage		350,000 00
Irvington Railroad Co., First Mortgage		125,000 00
Lehigh-Buffalo Terminal Railway Corporation, Debentures		3,740,000 00
Lehigh and Hudson River Railway Co., Debentures		34,000 00
Middlesex Valley Railroad Co., First Mortgage		400,000 00
Montrose Railroad Co., First Mortgage		100,000 00
Montrose Railroad Co., Debentures		12,000 00
Morris Canal and Banking Co., First Mortgage		500,000 00
Rochester Southern Railroad Co., First Mortgage		425,000 00
Schuylkill and Lehigh Valley Railroad Co., First Mortgage		2,000,000 00
Seneca County Railway, First Mortgage		500,000 00
Wyoming Valley Water Supply Co., First Mortgage		1,368,000 00
Total		\$27,459,000 00
EQUIPMENT TRUST CERTIFICATES		
Lehigh Valley Railroad Company, Series I		\$400,000 00
Lehigh Valley Railroad Company, Series K		450,000 00
Lehigh Valley Railroad Company, Series L		1,400,000 00
Lehigh Valley Railroad Company, Series M		1,400,000 00
Total		\$3,650,000 00
STOCKS		
Bay Shore Connecting Railroad Co.		\$20,000 00
Buffalo Creek Railroad Co.		125,000 00
Consolidated Real Estate Co.		5,000 00
Delphi Falls Creamery Association		1,400 00
Fair Land Realty Co.		2,500 00
Highland Coal Co.		120,000 00
Lehigh-Buffalo Terminal Railway Corporation		50,000 00
Lehigh and Hudson River Railway Co.		163,100 00
Lehigh Valley Harbor Terminal Railway Co.		100,000 00
Montrose Railroad Co.		100,000 00
Morris Canal and Banking Co., Consolidated		992,100 00
Morris Canal and Banking Co., Preferred		1,139,900 00
Morris Canal and Banking Co., Preferred Dividend Scrip		47,237 50
Packer Coal Co.		3,800 00
Philadelphia Bourse, Common		1,500 00
Philadelphia Bourse, Preferred		575 00
Philadelphia Grain Elevator Co.		164,000 00
Philadelphia Harbor Transfer		40,000 00
Pioneer Real Estate Co.		2,500 00
Temple Iron Co.		5,709 00
United Real Estate Co.		1,000 00
Weatherly Water Co.		8,000 00
Wyoming Valley Water Supply Co.		100,000 00
Total		\$3,193,321 50

STATEMENT OF SECURITIES OWNED—PLEDGED

UNDER GENERAL CONSOLIDATED MORTGAGE		PAR VALUE
BONDS		
Easton and Northern Railroad Co., Debentures		\$23,000 00
Lehigh Valley Coal Co., Debentures		7,500,000 00
Lehigh Valley Railroad Co. of New Jersey, Debentures		3,310,000 00
Lehigh Valley Rail Way Co., Debentures		6,643,000 00
Lehigh Valley Transportation Co., Debentures		730,000 00
Loyalsock Railroad Co., Debentures		35,000 00
National Storage Co., Debentures		755,000 00
Pennsylvania and New York Canal and Railroad Co., Debentures		1,640,000 00
Schuylkill and Lehigh Valley Railroad Co., Debentures		6,000 00
Total		\$20,642,000 00
STOCKS		
Easton and Northern Railroad Co.		\$565,000 00
Lehigh and New York Railroad Co., Preferred		2,299,550 00
Lehigh Valley Coal Co.		1,965,000 00
Lehigh Valley Railroad Co. of New Jersey		12,506,000 00
Lehigh Valley Rail Way Co.		11,745,000 00
Lehigh Valley Transportation Co.		1,510,000 00
Loyalsock Railroad Co.		825,000 00
National Storage Co.		2,400,000 00
New York and Middle Coal Field Railroad and Coal Co.		1,216,325 00
Pennsylvania and New York Canal and Railroad Co.		1,511,550 00
Schuylkill and Lehigh Valley Railroad Co.		2,000,000 00
Total		\$38,543,425 00
UNDER COLLATERAL TRUST AGREEMENT		
STOCKS		
Coxe Brothers & Company, Incorporated		\$2,910,150 00
Delaware, Susquehanna and Schuylkill Rail Road Co.		1,500,000 00
Total		\$4,410,150 00
UNDER TRUST AGREEMENT		
STOCK		
Mutual Terminal Co. of Buffalo		\$15,000 00
SUMMARY		
Not pledged		\$34,302,321 50
Pledged		63,610,575 00
Total		\$97,912,896 50

Lehigh Valley Railroad Company

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE 30, 1916

	OPERATING REVENUES					
	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL
July, 1915	\$1,524,839 82	\$1,441,911 62	\$442,387 20	\$68,293 24	\$256,329 83	\$3,733,761
August, "	1,481,471 98	1,536,160 45	462,366 40	66,752 70	232,846 52	3,779,598
September, "	1,597,310 44	1,605,039 20	418,406 28	74,005 93	248,875 73	3,943,637
October, "	1,908,461 80	2,062,389 88	336,461 25	68,455 40	263,589 40	4,639,357
November, "	1,765,074 87	1,932,905 64	312,525 82	64,186 96	265,842 82	4,340,536
December, "	1,548,700 84	1,624,192 08	329,517 94	66,453 79	235,461 07	3,804,325
January, 1916	1,616,604 84	1,376,761 24	296,217 69	59,311 55	184,083 54	3,532,978
February, "	1,560,650 30	1,372,048 70	283,553 71	64,844 19	198,750 73	3,479,847
March, "	1,521,306 37	1,775,962 95	285,195 66	81,948 07	224,755 74	3,889,168
April, "	1,227,133 04	1,788,978 97	350,490 87	82,679 13	242,718 99	3,692,001
May, "	1,544,683 62	1,989,009 00	358,567 88	87,624 45	338,727 50	4,318,612
June, "	1,514,861 59	1,857,890 92	424,492 11	83,621 39	347,877 84	4,228,743
Total, year ended June 30, 1916 .	\$18,811,099 51	\$20,363,250 65	\$4,300,182 81	\$868,176 80	\$3,039,859 71	\$47,382,569
Total, year ended June 30, 1915 .	19,195,755 50	16,005,501 45	4,043,799 00	644,747 63	2,636,158 44	42,525,962
Increase		\$4,357,749 20	\$256,383 81	\$223,429 17	\$403,701 27	\$4,856,607
Decrease	\$384,655 99					
Increase, per cent.		27.23	6.34	34.65	15.31	11.42
Decrease, "	2.00					

30, 1916, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30, 1915

OPERATING EXPENSES					NET OPERATING REVENUE
MAINTENANCE OF WAY AND STRUCTURES	MAINTENANCE OF EQUIPMENT	TRAFFIC AND TRANSPORTATION EXPENSES	GENERAL EXPENSES	TOTAL	
\$411,660 80	\$786,651 51	\$1,293,501 05	\$74,606 09	\$2,566,419 45	\$1,167,342 26
435,197 77	717,387 80	1,328,906 24	68,448 97	2,549,940 78	1,229,657 27
488,230 43	724,557 53	1,361,837 81	79,365 12	2,653,990 89	1,289,646 69
531,206 97	988,931 33	1,541,328 65	68,374 72	3,129,841 67	1,509,516 06
422,312 45	890,848 03	1,638,393 77	65,732 97	3,017,287 22	1,323,248 89
397,738 26	726,170 36	1,618,553 18	82,258 02	2,824,719 82	979,605 90
347,037 25	713,265 02	1,528,567 01	74,710 32	2,663,579 60	869,399 26
360,245 32	722,389 35	1,461,639 56	71,273 84	2,615,548 07	864,299 56
375,245 72	671,680 04	1,619,215 60	83,046 83	2,749,188 19	1,139,980 60
266,288 35	624,056 41	1,551,812 16	84,750 53	2,526,907 45	1,165,093 55
316,343 77	880,028 15	1,556,894 82	103,008 00	2,856,274 74	1,462,337 71
306,347 05	918,663 16	1,585,713 21	128,556 31	2,939,279 73	1,289,464 12
\$4,657,854 14	\$9,364,628 69	\$18,086,363 06	\$984,131 72	\$33,092,977 61	\$14,289,591 87
4,483,924 72	8,207,491 18	16,342,016 91	913,954 73	29,947,387 54	12,578,574 48
\$173,929 42	\$1,157,137 51	\$1,744,346 15	\$70,176 99	\$3,145,590 07	\$1,711,017 39
.....
3.88	14.10	10.67	7.68	10.50	13.60
.....

CLASSIFICATION OF OPERATING EXPENSES

ACCOUNT	1916	1915	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES:—				
Superintendence	\$254,547 71	\$231,713 21	\$22,834 50	
Roadway maintenance	400,791 41	315,613 30	85,178 11	
Tunnels and subways	9,750 49	8,273 03	1,477 46	
Bridges, trestles and culverts	270,271 56	247,142 08	23,129 48	
Ties	914,865 57	982,312 56		\$67,446 99
Rails	177,489 80	479,901 01		302,411 21
Other track material	144,332 58	174,533 25		30,200 67
Ballast	83,798 76	72,444 80	11,353 96	
Track laying and surfacing	925,661 13	913,528 53	12,132 60	
Right of way fences	13,398 61	10,665 20	2,733 41	
Snow and sand fences and snowsheds	2,142 84	1,613 03	529 81	
Crossings and signs	64,594 39	47,191 73	17,402 66	
Station and office buildings	188,800 34	154,553 35	34,246 99	
Roadway buildings	21,576 28	11,808 69	9,767 59	
Water stations	56,360 99	55,884 59	476 40	
Fuel stations	14,908 29	21,850 91		6,942 62
Shops and enginehouses	249,075 32	81,541 15	167,534 17	
Grain elevators	1,691 49	914 16	777 33	
Wharves and docks	157,293 42	73,576 23	83,717 19	
Coal and ore wharves	37,734 94	18,682 91	19,052 03	
Gas producing plants	85 32	31 40	53 92	
Telegraph and telephone lines	85,774 63	81,416 67	4,357 96	
Signals and interlockers	265,341 79	278,421 30		13,079 51
Miscellaneous structures	*1,249 22	719 68		1,968 90
Paving	2,074 34	99 50	1,974 84	
Roadway machines	19,488 55	19,563 74		75 19
Small tools and supplies	50,720 61	30,996 93	19,723 68	
Removing snow, ice and sand	90,177 03	45,466 76	44,710 27	
Assessments for public improvements	3,254 72	2,222 14	1,032 58	
Injuries to persons	14,643 83	13,496 36	1,147 47	
Insurance	19,569 96	20,948 90		1,378 94
Stationery and printing	7,336 93	6,317 11	1,019 82	
Other expenses	48,243 47	48,115 44	128 03	
Maintaining joint tracks, yards and other facilities—Dr.	93,863 39	77,146 63	16,716 76	
Maintaining joint tracks, yards and other facilities—Cr.	*30,557 13	*44,781 56	14,224 43	
Total maintenance of way and structures	\$4,657,854 14	\$4,483,924 72	\$173,929 42	

* Credit.

FOR THE YEARS ENDED JUNE 30, 1916 AND 1915

ACCOUNT	1916	1915	INCREASE	DECREASE
MAINTENANCE OF EQUIPMENT:—				
Superintendence	\$166,069 62	\$157,739 56	\$8,330 06	. . . . .
Shop machinery	145,297 68	113,836 66	31,461 02	. . . . .
Steam locomotives—Repairs	3,039,037 05	2,631,602 87	407,434 18	. . . . .
Steam locomotives—Depreciation	350,463 45	331,097 10	19,366 35	. . . . .
Steam locomotives—Retirements	92,160 26	38,313 88	53,846 38	. . . . .
Freight train cars—Repairs	2,745,985 01	2,635,884 54	110,100 47	. . . . .
Freight train cars—Depreciation	854,719 51	856,285 39	. . . . .	\$1,565 88
Freight train cars—Retirements	548,091 42	179,375 61	368,715 81	. . . . .
Passenger train cars—Repairs	389,804 31	327,920 10	61,884 21	. . . . .
Passenger train cars—Depreciation	83,729 69	83,053 93	675 76	. . . . .
Passenger train cars—Retirements	34,088 76	22,822 13	11,266 63	. . . . .
Floating equipment—Repairs	460,868 89	412,929 93	47,938 96	. . . . .
Floating equipment—Depreciation	132,859 71	134,582 58	. . . . .	1,722 87
Floating equipment—Retirements	28,389 01	12,988 68	11,175 62	. . . . .
Work equipment—Repairs	65,658 10	43,156 57	26,726 24	. . . . .
Work equipment—Depreciation	24,350 66	21,812 06	2,538 60	. . . . .
Work equipment—Retirements	41,780 62	38,035 84	3,744 78	. . . . .
Injuries to persons	10,384 87	12,483 22	. . . . .	2,098 35
Insurance	134,402 86	142,689 07	. . . . .	8,286 21
Stationery and printing	14,092 35	10,590 71	3,501 64	. . . . .
Other expenses	2,394 86	290 75	2,104 11	. . . . .
Total maintenance of equipment	\$9,364,628 69	\$8,207,491 18	\$1,157,137 51	. . . . .
TRAFFIC EXPENSES:—				
Superintendence	\$233,503 29	\$227,197 54	\$6,305 75	. . . . .
Outside agencies	503,901 42	485,151 45	18,749 97	. . . . .
Advertising	82,520 13	56,449 49	26,070 64	. . . . .
Traffic associations	17,850 41	16,388 78	1,461 63	. . . . .
Fast freight lines	84,283 63	75,402 77	8,880 86	. . . . .
Industrial and immigration bureaus	11,819 74	11,459 15	360 59	. . . . .
Insurance	480 88	434 05	46 83	. . . . .
Stationery and printing	61,889 89	87,346 85	. . . . .	\$25,456 96
Total traffic expenses	\$996,249 39	\$959,830 08	\$36,419 31	. . . . .

CLASSIFICATION OF OPERATING EXPENSES

ACCOUNT	1916	1915	INCREASE	DECREASE
TRANSPORTATION EXPENSES:—				
Superintendence	\$420,438 66	\$381,055 79	\$39,382 87	
Despatching trains	88,283 21	101,227 65		\$12,944 44
Station employes	2,135,812 83	1,677,893 78	457,919 05	
Weighing, inspection, and demurrage bu- rcaus	4,698 96	7,841 79		3,142 83
Coal and orc wharves	177,617 12	153,445 31	24,171 81	
Station supplies and expenses	191,188 31	138,366 84	52,821 47	
Yard masters and yard clerks	315,250 62	275,654 96	39,595 66	
Yard conductors and brakemen	1,198,553 92	994,225 76	204,328 16	
Yard switch and signal tenders	88,001 77	82,054 92	5,946 85	
Yard enginemen	699,438 91	580,193 49	119,245 42	
Fuel for yard locomotives	542,151 01	491,445 47	50,705 54	
Water for yard locomotives	29,925 47	25,799 84	4,125 63	
Lubricants for yard locomotives	8,528 28	4,245 92	4,282 36	
Other supplies for yard locomotives	8,798 10	7,980 01	818 09	
Enginehouse expenses—Yard	148,077 54	123,169 40	24,908 14	
Yard supplies and expenses	23,853 03	20,851 58	3,001 45	
Operating joint yards and terminals —Dr.	80,912 98	88,162 69		7,249 71
Operating joint yards and terminals —Cr.	*33,857 98	*35,960 47	2,102 49	
Train enginemen	1,904,617 99	1,746,522 70	158,095 29	
Fuel for train locomotives	3,033,438 51	3,052,851 06		19,412 55
Water for train locomotives	126,528 44	121,516 69	5,011 75	
Lubricants for train locomotives	49,251 39	41,683 61	7,567 78	
Other supplies for train locomotives	50,949 40	45,252 60	5,696 80	
Enginehouse expenses—Train	506,972 60	446,614 86	60,357 74	
Trainmen	2,193,105 11	2,021,184 01	171,921 10	
Train supplies and expenses	420,721 10	357,226 96	63,494 14	
Signal and interlocker operation	240,856 64	214,810 03	26,046 61	
Crossing protection	80,149 27	75,052 42	5,096 85	
Draw bridge operation	4,698 27	5,003 96		305 69
Telegraph and telephone operation	109,595 03	101,746 58	7,848 45	
Amounts carried forward	\$14,848,556 49	\$13,347,120 21	\$1,501,436 28	

* Credit.

FOR THE YEARS ENDED JUNE 30, 1916 AND 1915—Continued

ACCOUNT	1916	1915	INCREASE	DECREASE
TRANSPORTATION EXPENSES—Continued:—				
Amounts brought forward	\$14,848,556 49	\$13,347,120 21	\$1,501,436 28	. . . . .
Operating floating equipment	639,775 60	521,886 41	117,889 19	. . . . .
Stationery and printing	102,786 41	84,790 37	17,996 04	. . . . .
Other expenses	16,718 42	10,088 71	6,629 71	. . . . .
Operating joint tracks and facilities—Dr.	70,607 85	63,309 60	7,298 25	. . . . .
Operating joint tracks and facilities—Cr.	*11,646 63	*15,958 57	4,311 94	. . . . .
Insurance	61,282 52	44,157 34	17,125 18	. . . . .
Clearing wrecks	74,163 75	54,058 95	20,104 80	. . . . .
Damage to property	56,401 23	32,730 16	23,671 07	. . . . .
Damage to live stock on right of way . .	2,367 18	3,769 74	. . . . .	\$1,402 56
Loss and damage—Freight	257,326 11	288,769 54	. . . . .	31,443 43
Loss and damage—Baggage	994 67	961 84	32 83	. . . . .
Injuries to persons	135,600 33	177,397 46	. . . . .	41,797 13
Transportation—Water lines	711,505 30	637,446 42	74,058 88	. . . . .
Miscellaneous operations	153,598 58	141,507 78	12,090 80	. . . . .
Transportation for investment—Cr. . . .	*29,924 14	*9,849 13	. . . . .	20,075 01
Total transportation expenses	\$17,090,113 67	\$15,382,186 83	\$1,707,926 84	. . . . .
GENERAL EXPENSES:—				
Salaries and expenses of general officers. .	\$160,257 45	\$158,212 58	\$2,044 87	. . . . .
Salaries and expenses of clerks and attend- ants	396,303 21	383,953 23	12,349 98	. . . . .
General office supplies and expenses . . .	32,137 03	25,327 87	6,809 16	. . . . .
Law expenses	213,777 97	184,671 58	29,106 39	. . . . .
Insurance	988 65	815 88	172 77	. . . . .
Relief department expenses	54,815 00	59,989 38	. . . . .	\$5,174 38
Pensions	13,914 96	6,936 96	6,978 00	. . . . .
Stationery and printing	34,607 68	28,773 92	5,833 76	. . . . .
Valuation expenses	40,617 55	26,033 98	14,583 57	. . . . .
Other expenses	36,712 22	39,239 35	. . . . .	2,527 13
Total general expenses	\$984,131 72	\$913,954 73	\$70,176 99	. . . . .
TOTAL OPERATING EXPENSES	\$33,092,977 61	\$29,947,387 54	\$3,145,590 07	. . . . .

* Credit.

Lehigh Valley Railroad Company

STATEMENT OF OPERATING REVENUES AND EXPENSES FOR TEN YEARS,
1907 TO 1916 INCLUSIVE

OPERATING REVENUES

YEARS ENDED JUNE 30	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL OPERATING REVENUES	NET OPERATING REVENUE
1907 . .	\$15,270,213 84	\$14,864,262 21	\$4,326,118 87	\$591,745 99	\$469,105 81	\$35,521,446 72	\$13,554,116 09
1908 . .	16,175,279 94	14,011,301 78	4,159,890 47	592,630 94	571,051 09	35,510,154 22	13,198,117 73
1909 . .	14,831,670 78	13,291,830 90	3,905,062 74	616,124 73	493,143 06	33,137,832 21	12,562,095 91
1910 . .	15,821,797 62	14,757,799 34	4,330,172 45	656,297 45	601,331 31	36,167,398 17	14,483,250 94
1911 . .	17,155,534 15	14,687,291 27	4,568,029 75	644,579 91	631,967 91	37,687,402 99	14,280,084 63
1912 . .	16,301,316 24	14,591,239 56	4,703,733 52	663,660 96	645,984 93	36,905,935 21	12,185,685 40
1913 . .	20,385,389 09	16,339,748 97	4,867,554 03	698,012 22	752,667 58	43,043,371 89	13,935,552 32
1914 . .	18,528,246 44	15,541,885 90	4,795,147 44	639,024 62	2,666,342 38	42,170,646 78	12,082,741 58
1915 . .	19,195,755 50	16,005,501 45	4,043,799 00	644,747 63	2,636,158 44	42,525,962 02	12,578,574 48
1916 . .	18,811,099 51	20,363,250 65	4,300,182 81	868,176 80	3,039,859 71	47,382,569 48	14,289,591 87

The ratio of each class of operating revenues to total operating revenues is as follows:—

	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Coal freight	42.99	45.55	44.76	43.75	45.52	44.17	47.36	43.94	45.14	39.70
Merchandise freight	41.84	39.46	40.11	40.80	38.97	39.54	37.96	36.85	37.64	42.98
Passenger	12.18	11.71	11.78	11.97	12.12	12.74	11.31	11.37	9.51	9.07
Mail and express	1.67	1.67	1.86	1.82	1.71	1.80	1.62	1.52	1.51	1.83
Miscellaneous	1.32	1.61	1.49	1.66	1.68	1.75	1.75	6.32	6.20	6.42

OPERATING EXPENSES

YEARS ENDED JUNE 30	MAINTENANCE OF WAY AND STRUCTURES	MAINTENANCE OF EQUIPMENT	TRAFFIC AND TRANSPORTATION EXPENSES	GENERAL EXPENSES	TOTAL OPERATING EXPENSES	RATIO OF TOTAL EX- PENSES TO REVENUES
						Per Cent.
1907	\$3,344,181 89	\$6,186,873 82	\$11,920,347 57	\$515,927 35	\$21,967,330 63	61.84
1908	3,398,642 07	6,153,874 30	12,121,580 08	637,940 04	22,312,036 49	62.83
1909	3,273,339 47	5,832,430 15	10,760,202 59	709,764 09	20,575,736 30	62.09
1910	3,462,903 41	5,995,810 09	11,512,285 21	713,148 52	21,684,147 23	59.95
1911	3,620,176 26	6,003,286 95	12,989,953 65	793,901 50	23,407,318 36	62.11
1912	3,963,589 12	6,313,316 76	13,587,078 40	856,265 53	24,720,249 81	66.98
1913	5,694,422 24	7,561,270 87	14,976,475 01	875,651 45	29,107,819 57	67.62
1914	4,674,725 37	7,669,793 05	16,844,652 92	898,733 86	30,087,905 20	71.35
1915	4,483,924 72	8,207,491 18	16,342,016 91	913,954 73	29,947,387 54	70.42
1916	4,657,854 14	9,364,628 69	18,086,363 06	984,131 72	33,092,977 61	69.84

The ratio of each class of operating expenses to total operating revenues is as follows:—

	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Maintenance of way and structures	9.41	9.57	9.88	9.57	9.61	10.74	13.23	11.09	10.54	9.83
Maintenance of equipment	17.42	17.33	17.60	16.58	15.93	17.11	17.57	18.19	19.30	19.76
Traffic and transportation expenses	33.56	34.13	32.47	31.83	34.47	36.81	34.79	*39.94	*38.43	*38.17
General expenses	1.45	1.80	2.14	1.97	2.10	2.32	2.03	2.13	2.15	2.08

* The percentage of Transportation Expenses is increased 2.01 per cent. for 1914; 1.81 per cent. for 1915 and 1.76 per cent. for 1916 as result of including expenses of water lines, etc., as required by the Interstate Commerce Commission.

TRAIN AND CAR STATISTICS FOR THE YEARS ENDED JUNE 30, 1916 AND 1915

	1916	1915	PERCENTAGE OF INCREASE OR DECREASE	
TRAIN MILEAGE				
Freight—ordinary	8,894,294	8,522,218	Inc.	4.37
Freight—light	372,662	287,339	Inc.	29.69
Total freight	9,266,956	8,809,557	Inc.	5.19
Passenger	5,070,835	4,906,194	Inc.	3.36
Mixed	114,877	114,791	Inc.	.07
Special	3,219	4,664	Dec.	30.98
Total revenue train miles	14,455,887	13,835,206	Inc.	4.49
Work	335,723	374,160	Dec.	10.27
Total train miles	14,791,610	14,209,366	Inc.	4.10
CAR MILEAGE				
Freight Car Miles:—				
Loaded	236,228,973	214,689,132	Inc.	10.03
Empty	108,677,850	118,034,351	Dec.	7.93
Caboose	9,195,505	8,603,572	Inc.	6.88
Total freight car miles	354,102,328	341,327,055	Inc.	3.74
Passenger Car Miles:—				
Passenger (including Pullman)	16,515,240	16,191,548	Inc.	2.00
Baggage, mail, milk, express and dining	15,583,192	14,452,059	Inc.	7.83
Total passenger car miles	32,098,432	30,643,607	Inc.	4.75
Mixed Car Miles:—				
Freight—loaded	405,236	372,567	Inc.	8.77
Freight—empty	130,919	141,010	Dec.	7.16
Caboose		287	Dec.	100.00
Passenger	148,589	151,652	Dec.	2.02
Baggage, mail, milk and express	4,392	4,773	Dec.	7.98
Total mixed car miles	689,136	670,289	Inc.	2.81
Special car miles	17,320	23,783	Dec.	27.17
Total transportation car miles	386,907,216	372,664,734	Inc.	3.82
Work car miles	2,067,632	2,510,719	Dec.	17.65
Total car miles	388,974,848	375,175,453	Inc.	3.68
CAR STATISTICS				
Average number of loaded freight cars in train	25.49	24.37	Inc.	4.60
Average number of empty freight cars in train	11.73	13.40	Dec.	12.46
Average number of cars in each freight train (including caboose)	38.21	38.75	Dec.	1.39
Percentage of loaded cars in each freight train	66.71	62.89	Inc.	6.07
Average number of passenger cars in train	3.26	3.30	Dec.	1.21
Average number of baggage, mail, milk, express and dining cars in train	3.07	2.95	Inc.	4.07
Average number of cars in each passenger train	6.33	6.25	Inc.	1.28

NOTE:—Certain changes have been made in the above to conform with similar statistics filed with the Interstate Commerce Commission. Where necessary the figures for the preceding year have been restated for proper comparison.

1916

40

Lehigh Valley Railroad Company

STATISTICS OF OPERATING REVENUES AND EXPENSES

	1916	1915	INCREASE		DECREASE	
			Amount	Per cent.	Amount	Per cent.
REVENUES, EXPENSES, AND NET REVENUE						
Average miles of road operated	1,443.69	1,443.52	.17	.01		
Total revenue train miles	14,455,887	13,835,206	620,681	4.49		
Freight and passenger revenue	\$43,474,532 97	\$39,245,055 95	\$4,229,477 02	10.78		
Freight and passenger revenue per mile of road	30,113 48	27,187 05	2,926 43	10.76		
Operating revenues	47,382,569 48	42,525,962 02	4,856,607 46	11.42		
Operating revenues per mile of road	32,820 46	29,459 90	3,360 56	11.41		
Operating revenues per revenue train mile	3.28	3.07	.21	6.84		
Operating expenses	33,092,977 61	29,947,387 54	3,145,590 07	10.50		
Operating expenses per mile of road	22,922 50	20,746 08	2,176 42	10.49		
Operating expenses per revenue train mile	2.29	2.16	.13	6.02		
Net operating revenue	14,289,591 87	12,578,574 48	1,711,017 39	13.60		
Net operating revenue per mile of road	9,897 96	8,713 82	1,184 14	13.59		
Net operating revenue per revenue train mile . . . . .	.99	.91	.08	8.79		
FREIGHT						
Freight revenue	\$39,174,350 16	\$35,201,256 95	\$3,973,093 21	11.29		
EXCLUDING COMPANY'S SUPPLIES						
Number of tons carried	33,125,185	30,268,701	2,856,484	9.44		
Number of tons carried one mile	5,990,465,278	5,326,328,902	664,136,376	12.47		
Average distance carried	180.84 miles	175.97 miles	4.87 miles	2.77		
Average number of tons carried one mile per mile of road	4,149,412	3,689,820	459,592	12.46		
Average revenue per ton	118.262 cents	116.296 cents	1.966 cents	1.69		
Average revenue per ton per mile . . . . .	.654 cent	.661 cent			.007 cent	
Freight and mixed train mileage	9,381,833	8,924,348	457,485	5.13		
Freight revenue per mile of road	\$27,134 88	\$24,385 71	\$2,749 17	11.27		
Freight revenue per train mile	\$4.18	\$3.94	\$0.24	6.09		
Average number of tons in each train.	638.52	596.83	41.69	6.99		
Average number of tons in each loaded car	25.32	24.77	.55	2.22		

NOTE:—Certain changes have been made in the above to conform with similar statistics filed with the Interstate Commerce Commission. Where necessary the figures for the preceding year have been restated for proper comparison.

FOR THE YEARS ENDED JUNE 30, 1916 AND 1915

	1916	1915	INCREASE		DECREASE	
			Amount	Per cent.	Amount	Per cent.
FREIGHT—(Continued)						
INCLUDING COMPANY'S SUPPLIES						
Number of tons carried	36,348,789	33,342,361	3,006,428	9.02	. . . . .	. . . . .
Number of tons carried one mile	6,200,133,727	5,522,815,281	677,318,446	12.26	. . . . .	. . . . .
Average distance carried	170.57 miles	165.64 miles	4.93 miles	2.98	. . . . .	. . . . .
Average number of tons in each train	660.87	618.85	42.02	6.79	. . . . .	. . . . .
Average number of tons in each loaded car	26.20	25.68	.52	2.02	. . . . .	. . . . .
PASSENGER						
Passenger revenue	\$4,300,182 81	\$4,043,799 00	\$256,383 81	6.34	. . . . .	. . . . .
Passenger train revenue	6,015,817 88	5,479,937 82	535,880 06	9.78	. . . . .	. . . . .
Number of passengers carried	6,745,086	5,206,972	1,538,114	29.54	. . . . .	. . . . .
Number of passengers carried one mile	228,272,582	215,666,868	12,605,714	5.84	. . . . .	. . . . .
Average distance each passenger carried	33.84 miles	41.42 miles	. . . . .	. . . . .	7.58 miles	18.30
Average number of passengers one mile per mile of road	158,117	149,403	8,714	5.83	. . . . .	. . . . .
Average revenue per passenger	63.753 cents	77.661 cents	. . . . .	. . . . .	13.908 cents	17.91
Average revenue per passenger per mile	1.884 cents	1.875 cents	.009 cent	.48	. . . . .	. . . . .
Passenger and mixed train mileage (excluding milk and express)	4,258,978	4,224,187	34,791	.82	. . . . .	. . . . .
Passenger and mixed train mileage (including milk and express)	5,185,712	5,020,985	164,727	3.28	. . . . .	. . . . .
Passenger revenue per mile of road	\$2,978 61	\$2,801 35	\$177 26	6.33	. . . . .	. . . . .
Passenger revenue per train mile	100.97 cents	95.73 cents	5.24 cents	5.47	. . . . .	. . . . .
Passenger train revenue per mile of road	\$4,166 97	\$3,796 23	\$370 74	9.77	. . . . .	. . . . .
Passenger train revenue per train mile	116.01 cents	109.14 cents	6.87 cents	6.29	. . . . .	. . . . .
Average number of passengers in each train	44.02	42.95	1.07	2.49	. . . . .	. . . . .
Average number of passengers in each passenger car	13.70	13.20	.50	3.79	. . . . .	. . . . .

NOTE:—Certain changes have been made in the above to conform with similar statistics filed with the Interstate Commerce Commission. Where necessary the figures for the preceding year have been restated for proper comparison.

PERFORMANCE OF LOCOMOTIVES

	1916	1915	INCREASE	DECREASE
LOCOMOTIVE MILEAGE				
Freight	9,266,956	8,809,557	457,399	
Passenger	5,070,835	4,906,194	164,641	
Mixed	114,877	114,791	86	
Special	3,219	4,664		1,445
Helping, freight	1,261,034	1,182,633	78,401	
Helping, passenger	191,980	134,404	57,576	
Light	1,448,148	1,268,490	179,658	
Switching	6,498,301	5,531,853	966,448	
Total (excluding work)	23,855,350	21,952,586	1,902,764	
Work	335,723	374,160		38,437
Total	24,191,073	22,326,746	1,864,327	
Average freight	31,281	30,319	962	
Average passenger	51,334	50,039	1,295	
Average switching and other	29,974	29,383	591	
Average all services	33,929	33,175	754	
Percentage of freight helping	10.72	10.69	.03	
Percentage of passenger helping	3.43	2.48	.95	
Greatest mileage made by engine in freight service	50,413	42,269	8,144	
Greatest mileage made by an engine in passenger service	77,174	93,942		16,768
CAR MILEAGE				
Freight, loaded	236,228,973	214,689,132	21,539,841	
Freight, empty	108,677,850	118,034,351		9,356,501
Caboose	9,195,505	8,603,572	591,933	
Passenger, baggage, mail, milk, express and dining	32,098,432	30,643,607	1,454,825	
Mixed, freight and passenger	689,136	670,289	18,847	
Special	17,320	23,783		6,463
Work	2,067,632	2,510,719		443,087
Total	388,974,848	375,175,453	13,799,395	
*Average cars per draft, freight (loaded basis)	31.85	31.56	.29	
Average cars per draft, passenger	6.33	6.25	.08	

* Two empty freight cars equaling one loaded; caboose mileage considered as empty mileage.

NOTE:—Certain changes have been made in the above to conform with similar statistics filed with the Interstate Commerce Commission. Where necessary the figures for the preceding year have been restated for proper comparison.

1916

Lehigh Valley Railroad Company

43

FOR THE YEARS ENDED JUNE 30, 1916 AND 1915

	1916	1915	INCREASE	DECREASE
FUEL COAL USED PER MILE				
	POUNDS	POUNDS	POUNDS	POUNDS
Freight locomotive	236.6	250.1	. . . . .	13.5
Passenger locomotive	129.5	131.5	. . . . .	2.0
Switching and other locomotive	106.3	110.2	. . . . .	3.9
All services	175.0	184.7	. . . . .	9.7
Freight car	9.4	9.9	. . . . .	.5
Passenger car	22.4	22.8	. . . . .	.4
OIL AND WASTE				
	MILES	MILES	MILES	MILES
Lubricating oil, locomotive miles per pint	21.65	20.49	1.16	. . . . .
Cylinder oil, locomotive miles per pint	63.37	64.39	. . . . .	1.02
Waste, locomotive miles per pound	112.75	110.92	1.83	. . . . .
COST PER LOCOMOTIVE MILE				
	CENTS	CENTS	CENTS	CENTS
Fuel	14.98	16.14	. . . . .	1.16
Oil and waste . . . . .	.24	.21	.03	. . . . .
Other supplies . . . . .	.25	.24	.01	. . . . .
Water supply . . . . .	.65	.67	. . . . .	.02
Enginemen and firemen	10.90	10.58	.32	. . . . .
Enginehouse expenses	2.75	2.60	.15	. . . . .
Repairs (excluding retirements)	12.42	11.77	.65	. . . . .
Total	42.19	42.21	. . . . .	.02
Total, including retirements.	42.58	42.38	.20	. . . . .
COST PER CAR MILE				
	CENTS	CENTS	CENTS	CENTS
Fuel	1.09	1.15	. . . . .	.06
Oil and waste . . . . .	.02	.01	.01	. . . . .
Other supplies . . . . .	.02	.02	. . . . .	. . . . .
Water supply . . . . .	.05	.05	. . . . .	. . . . .
Enginemen and firemen . . . . .	.79	.75	.04	. . . . .
Enginehouse expenses . . . . .	.20	.18	.02	. . . . .
Repairs (excluding retirements) . . . . .	.92	.85	.07	. . . . .
Total	3.09	3.01	.08	. . . . .
Total, including retirements.	3.12	3.02	.10	. . . . .

CLASSIFICATION OF ADDITIONS AND BETTERMENTS FOR YEAR ENDED JUNE 30, 1916

Engineering	\$71,221 00
Land for transportation purposes	5,454,906 73
Grading	190,314 61
Bridges, trestles, and culverts	173,778 19
Ties	150,530 90
Rails	239,558 10
Other track material	264,489 41
Ballast	13,810 56
Track laying and surfacing	133,580 02
Right of way fences	1,955 09
Crossings and signs	393,560 24
Station and office buildings	729,308 65
Roadway buildings	8,631 17
Water stations	56,586 39
Fuel stations	5,586 58
Shops and enginehouses	245,563 26
Wharves and docks	83,530 32
Coal and ore wharves	173,033 03
Telegraph and telephone lines	66,595 69
Signals and interlockers	113,477 26
Paving	24,840 21
Roadway machines	19,915 44
Roadway small tools	35 65
Other expenditures—road	18,940 79
Shop machinery	28,865 18
Steam locomotives	1,406,014 02
Freight train cars	435,380 07
Passenger train cars	57,187 99
Work equipment	49,078 11
General expenditures	32,621 46
Total	\$10,642,896 12

CLASSIFICATION OF TONNAGE FOR THE YEARS ENDED JUNE 30, 1916 AND 1915

COMMODITY	1916	1915	INCREASE	DECREASE
PRODUCTS OF AGRICULTURE:—				
Grain	1,920,401	1,362,588	557,813	. . . . .
Flour	818,090	764,981	53,109	. . . . .
Other mill products	313,869	302,230	11,639	. . . . .
Hay	276,516	278,570	. . . . .	2,054
Tobacco (unmanufactured)	6,062	6,509	. . . . .	447
Cotton (unmanufactured)	32,700	46,073	. . . . .	13,373
Fruits and vegetables	216,405	239,318	. . . . .	22,913
Other agricultural products	107,859	105,276	2,583	. . . . .
PRODUCTS OF ANIMALS:—				
Live stock	124,827	113,203	11,624	. . . . .
Dressed meats	160,089	172,097	. . . . .	12,008
Other packing-house products	75,905	109,399	. . . . .	33,494
Poultry, game and fish	15,533	16,123	. . . . .	590
Wool	13,358	13,614	. . . . .	256
Hides and leather	61,977	52,058	9,919	. . . . .
Other products of animals	83,439	92,796	. . . . .	9,357
PRODUCTS OF MINES:—				
Ores	911,533	439,815	471,718	. . . . .
Stone, sand and other like articles	1,864,681	1,909,877	. . . . .	45,196
Anthracite coal (net tons)	13,914,456	14,602,519	. . . . .	688,063
Bituminous coal and coke	3,503,877	2,292,411	1,211,466	. . . . .
PRODUCTS OF FOREST:—				
Lumber	602,178	571,337	30,841	. . . . .
Bark	19,246	15,864	3,382	. . . . .
Other products of the forest	257,046	257,713	. . . . .	667
MANUFACTURES:—				
Petroleum and other oils	572,987	456,254	116,733	. . . . .
Sugar and glucose	205,069	186,557	18,512	. . . . .
Iron—pig and bloom	482,490	330,779	151,711	. . . . .
Iron and steel rails	406,618	275,251	131,367	. . . . .
Castings and machinery	242,571	171,961	70,610	. . . . .
Bar and sheet metal	379,016	294,434	84,582	. . . . .
Cement, brick and lime	1,363,196	1,522,095	. . . . .	158,899
Agricultural implements	20,101	17,165	2,936	. . . . .
Wagons, carriages, tools, etc.	49,247	37,443	11,804	. . . . .
Wines, liquors and beers	56,100	57,063	. . . . .	963
Household goods and furniture	28,800	25,986	2,814	. . . . .
Copper and lead—pig	534,845	330,616	204,229	. . . . .
Salt	252,561	228,013	24,548	. . . . .
MISCELLANEOUS	3,231,537	2,570,713	660,824	. . . . .
Total revenue tonnage	33,125,185	30,268,701	2,856,484	. . . . .

Lehigh Valley Railroad Company

INVENTORY OF EQUIPMENT, JUNE 30, 1916

LOCOMOTIVES	971	ROAD SERVICE EQUIPMENT:—	
Tractive power (pounds)	32,344,767	Air-brake instruction	1
		Air-dump	100
		Box	2
		Business	8
		Derrick	40
		Flat	28
		Gondola	70
		Grading	15
		Hospital	1
		Locomotive cranes	37
		Pile driver	2
		Pole	6
		Scale test	3
		Snow flangers	18
		Snow plows	10
		Spreader	4
		Steam shovels	4
		Supply	1
		Tool	41
		Tunnel	4
		Unloader	1
		Motor	2
		Tank	1
		Water	3
		Workmen's	382
		Total	784
PASSENGER CAR EQUIPMENT:—		*FLOATING EQUIPMENT:—	
Passenger	294	Lake steamers	6
Combined passenger and baggage	47	Tugs	19
Combined baggage and mail	25	Steam lighters	4
Baggage and express	110	Barges	229
Dining	10	Car floats	24
Library buffet	5	Cattle boats	3
Postal	3	Hoisting boat	1
Milk	136	Work boats	4
Fruit	1	Motor boat	1
Total	631	Wrecking boat	1
		Total	292
FREIGHT CAR EQUIPMENT:—			
Box	19,077		
Coal	18,322		
Gondola	3,628		
Flat	130		
Produce	204		
Refrigerator	1,312		
Stock	5		
Automobile	298		
Ice	374		
Well	3		
Gun and armor	5		
Set of gun and armor trucks	1		
Cabooses	477		
Total	43,836		
Tons capacity	1,647,955		

* Does not include Morris Canal and Banking Company's equipment.

Lehigh Valley Railroad Company

47

MILEAGE OF TRACK OPERATED, JUNE 30, 1916

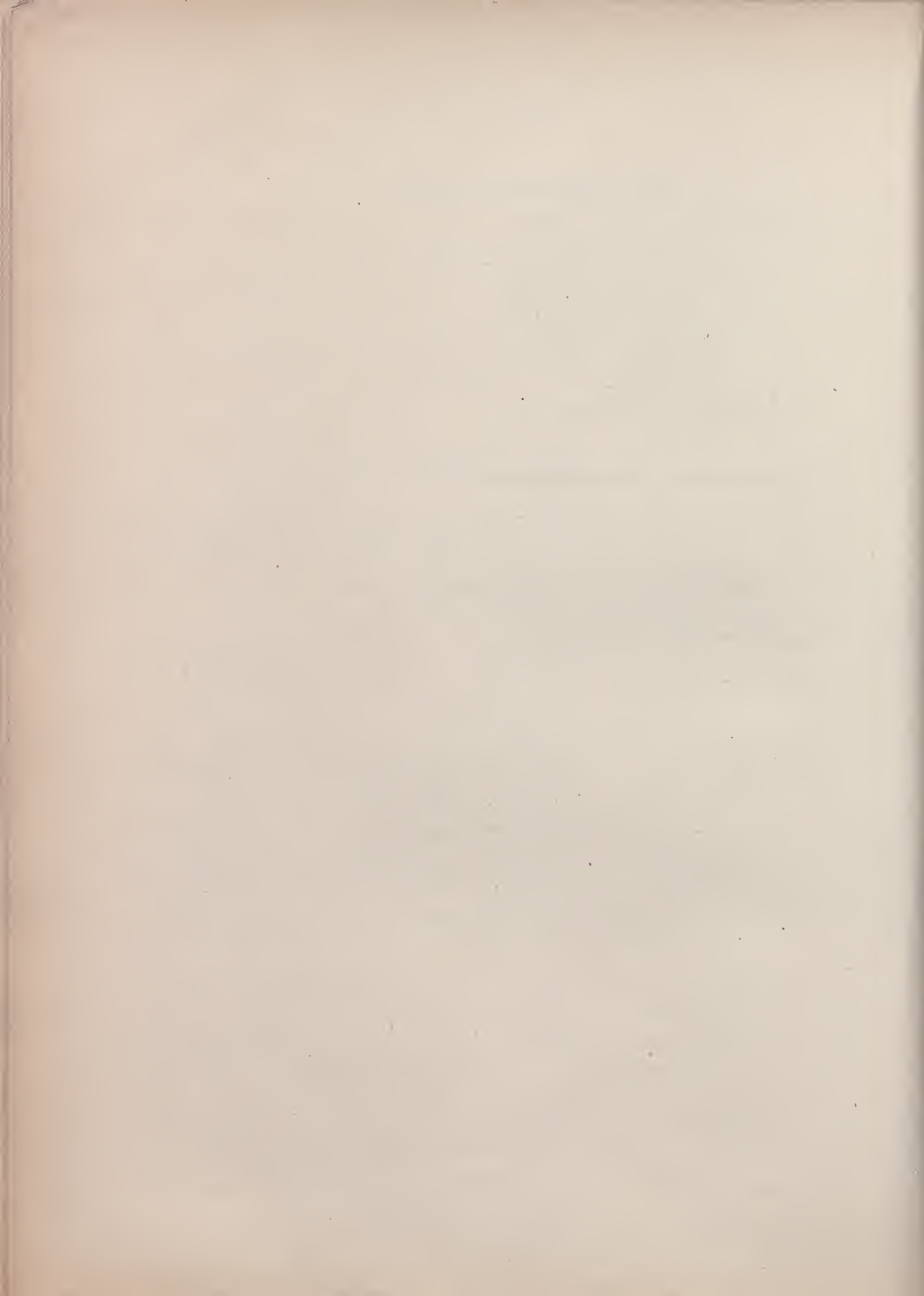
	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
LEHIGH VALLEY RAILROAD COMPANY:						
Main Line—Phillipsburg, N. J., to Northampton St., Wilkes-Barre, Pa.	99.22	88.12	44.81	29.76	170.81	432.72
Main Line Branches	51.17	18.12	. . . .	. . . .	26.52	95.81
Mahanoy and Hazleton Division:						
Main Line—Penn Haven Junction, Pa., to Mount Carmel, Pa. (via Hazleton). . . .	52.34	46.07	. . . .	. . . .	68.31	166.72
Branches	113.98	33.77	. . . .	. . . .	65.64	213.39
Total	316.71	186.08	44.81	29.76	331.28	908.64
	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
CONTROLLED BY OWNERSHIP OF ENTIRE CAPITAL STOCK						
LEHIGH VALLEY RAILROAD COMPANY OF NEW JERSEY:						
Main Line—Jersey City, N. J., to Phillipsburg, N. J. Branches	75.05 47.20	73.94 18.27	37.83	13.05	116.83 164.37	316.70 229.84
PENNSYLVANIA AND NEW YORK CANAL AND RAILROAD COMPANY:						
Main Line—Northampton St., Wilkes-Barre, Pa., to Pennsylvania State Line	96.56	96.56	4.80	2.03	182.65	382.60
Branches	40.52	1.57	. . . .	. . . .	39.48	81.57
THE LEHIGH VALLEY RAIL WAY COMPANY:						
Main Line—Pennsylvania State Line to Buffalo, N. Y.	174.48	174.48	12.07	. . . .	174.38	535.41
Branches	339.74	22.34	. . . .	. . . .	145.30	507.38
LEHIGH-BUFFALO TERMINAL RAILWAY CORPORATION:						
Main Line—Louisiana St., Buffalo, to End of Line . . . . .	.68	.68	. . . .	. . . .	4.56	5.92
THE DELAWARE, SUSQUEHANNA AND SCHUYLKILL RAILROAD COMPANY:						
Main Line—Eckley, Pa., to Sheppton, Pa. . . .	18.54	. . . .	. . . .	. . . .	7.02	25.56
Branches	13.24	. . . .	. . . .	. . . .	10.24	23.48
EASTON AND NORTHERN RAILROAD COMPANY:						
Main Line—Easton, Pa., to Belfast, Pa.	11.08	. . . .	. . . .	. . . .	3.57	14.65
Branches	1.70	. . . .	. . . .	. . . .	1.50	3.20
THE SCHUYLKILL AND LEHIGH VALLEY RAILROAD COMPANY:						
Main Line—Lizard Creek Junction, Pa., to Blackwood, Pa.	40.14	. . . .	. . . .	. . . .	8.30	48.44
Branches	1.70	. . . .	. . . .	. . . .	. . . .	1.70
LOYALSOCK RAILROAD COMPANY:						
Main Line—Luzerne, Pa., to Bernice, Pa. . . .	44.85	. . . .	. . . .	. . . .	7.73	52.58
Branches	5.44	. . . .	. . . .	. . . .	1.61	7.05
MONTROSE RAILROAD COMPANY:						
Main Line—Tunkhannock, Pa., to Montrose, Pa. .	27.36	. . . .	. . . .	. . . .	3.50	30.86
Total	938.28	387.84	54.70	15.08	871.04	2,266.94
	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
CONTROLLED BY OWNERSHIP OF MAJORITY OF CAPITAL STOCK AND LEASE						
LEHIGH AND NEW YORK RAILROAD COMPANY:						
Pennsylvania State Line to North Fair Haven, N. Y. .	115.37	. . . .	. . . .	. . . .	38.21	153.58

MILEAGE OF TRACK OPERATED, JUNE 30, 1916—Continued

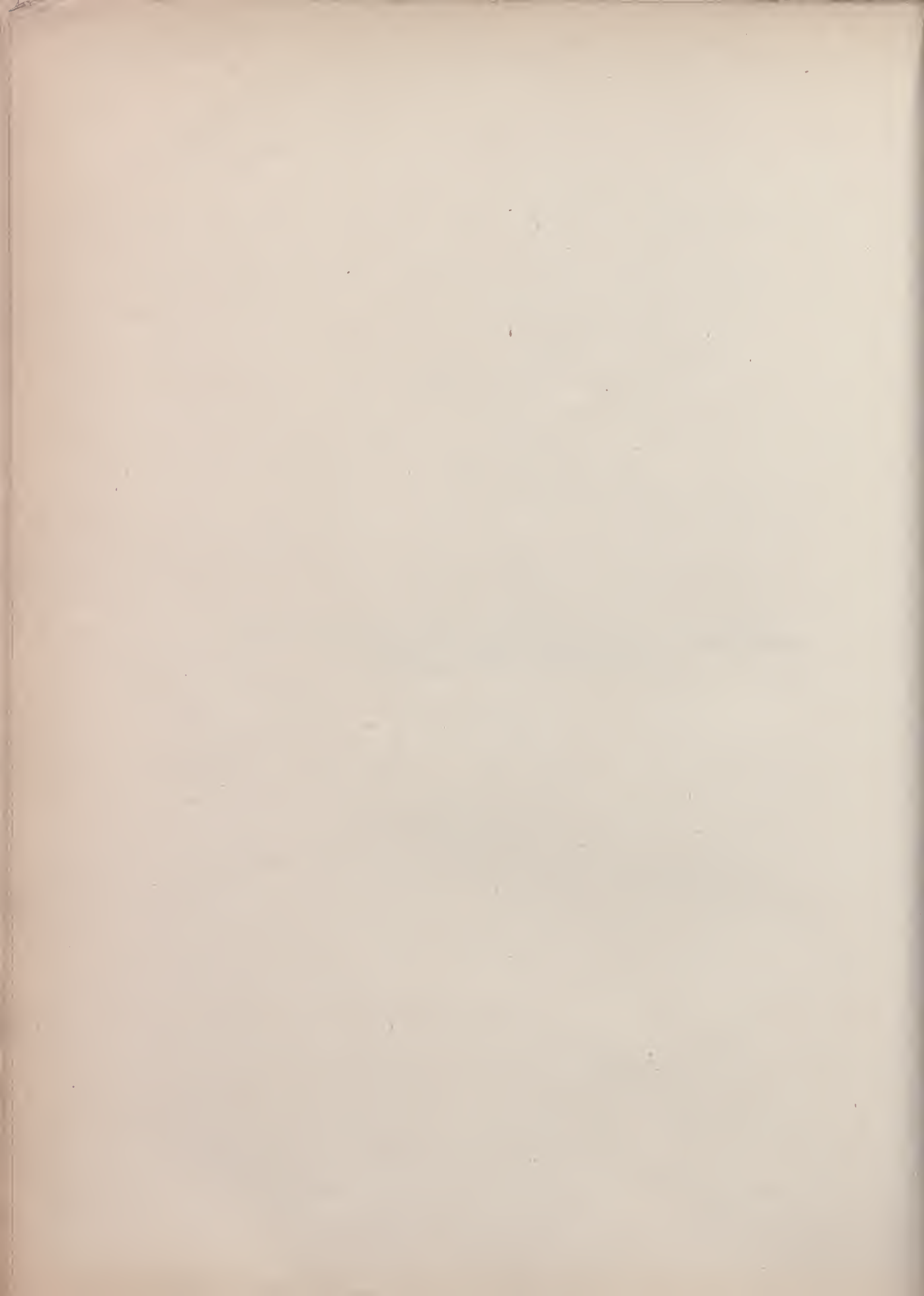
OPERATED UNDER LEASE	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
STATE LINE AND SULLIVAN RAILROAD COMPANY: Monrocton, Pa., to Bernice, Pa.	24.06	. . . . .	. . . . .	. . . . .	3.59	27.65
HAYTS CORNERS, OVID AND WILLARD RAILROAD COMPANY: Hayts Corners, N. Y., to Willard, N. Y.	2.98	. . . . .	. . . . .	. . . . .	.20	3.18
NEW YORK CENTRAL RAILROAD COMPANY: Suspension Bridge Yard . . . . .	. . . . .	. . . . .	. . . . .	. . . . .	12.65	12.65
RARITAN TERMINAL AND TRANSPORTATION COMPANY: At Perth Amboy, N. J. . . . .	.59	. . . . .	. . . . .	. . . . .	.01	.60
NATIONAL STORAGE COMPANY: At National Stores, Jersey City, N. J. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	9.26	9.26
MORRIS CANAL AND BANKING COMPANY: At Phillipsburg, N. J. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	1.03	1.03
Total	27.63	. . . . .	. . . . .	. . . . .	26.74	54.37
TRackage RIGHTS	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
PENNSYLVANIA RAILROAD COMPANY: Tomhicken, Pa., to Gum Run, Pa.	1.84	. . . . .	. . . . .	. . . . .	. . . . .	1.84
PEOPLES RAILWAY COMPANY: Minersville, Pa., to Pottsville, Pa.	3.47	. . . . .	. . . . .	. . . . .	. . . . .	3.47
DELAWARE AND HUDSON COMPANY: Avoca, Pa., to Moosic, Pa.	1.67	1.61	. . . . .	. . . . .	.66	3.94
ERIE AND WYOMING VALLEY RAILROAD COMPANY: Duryea Junction, Pa., to Old Forge, Pa. . . . .	.88	. . . . .	. . . . .	. . . . .	. . . . .	.88
LEHIGH AND NEW ENGLAND RAILROAD COMPANY: At Slatington, Pa. . . . .	.44	. . . . .	. . . . .	. . . . .	.74	1.18
SUSQUEHANNA AND NEW YORK RAILROAD COMPANY: Towanda Junction, Pa., to Monrocton, Pa.	4.00	. . . . .	. . . . .	. . . . .	. . . . .	4.00
LEHIGH AND WILKES-BARRE COAL COMPANY: Franklin Junction, Pa., to Franklin Branch	1.00	. . . . .	. . . . .	. . . . .	. . . . .	1.00
CENTRAL RAILROAD COMPANY OF NEW JERSEY: At Easton, Pa. . . . .	.08	. . . . .	. . . . .	. . . . .	. . . . .	.08
Oak Island Junction, N. J., to Jersey City, N. J.	6.65	6.65	. . . . .	. . . . .	. . . . .	13.30
NEW YORK, ONTARIO AND WESTERN RAILROAD COMPANY: At Sylvan Junction, N. Y. . . . .	.10	. . . . .	. . . . .	. . . . .	. . . . .	.10
WESTERN NEW YORK AND PENNSYLVANIA RAILWAY COMPANY: At Buffalo, N. Y. . . . .	.34	. . . . .	. . . . .	. . . . .	. . . . .	.34
ERIE RAILROAD COMPANY: At Waverly, N. Y. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	1.52	1.52
NEW YORK CENTRAL RAILROAD COMPANY: Tonawanda Junction, N. Y., to Suspension Bridge, N. Y.	14.96	14.29	. . . . .	. . . . .	. . . . .	29.25
At Cayuga, N. Y.	2.14	. . . . .	. . . . .	. . . . .	. . . . .	2.14
On Wonalcet Branch, near Tonawanda, N. Y.	8.25	. . . . .	. . . . .	. . . . .	. . . . .	8.25
Total	45.82	22.55	. . . . .	. . . . .	2.92	71.29

MILEAGE OF TRACK OPERATED, JUNE 30, 1916—Concluded

RECAPITULATION	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
Lehigh Valley Railroad Company	316.71	186.08	44.81	29.76	331.28	908.64
Controlled by ownership of entire capital stock. . . .	938.28	387.84	54.70	15.08	871.04	2,266.94
Controlled by ownership of majority of capital stock and lease	115.37	. . . .	. . . .	. . . .	38.21	153.58
Operated under lease	27.63	. . . .	. . . .	. . . .	26.74	54.37
Trackage rights	45.82	22.55	. . . .	. . . .	2.92	71.29
Total	1,443.81	596.47	99.51	44.84	1,270.19	3,454.82
MILEAGE BY STATES	FIRST TRACK MILES	SECOND TRACK MILES	THIRD TRACK MILES	FOURTH TRACK MILES	YARD TRACKS AND SIDINGS MILES	TOTAL TRACKS MILES
Pennsylvania	655.23	285.77	49.61	31.79	601.82	1,624.22
New York	659.04	211.79	12.07	. . . .	379.02	1,261.92
New Jersey	129.54	98.91	37.83	13.05	289.35	568.68
Total	1,443.81	596.47	99.51	44.84	1,270.19	3,454.82



INFORMATION CONCERNING FUNDED DEBT AND GUARANTIES,
SCHEDULED ON PAGES 28 AND 29.



Lehigh Valley Railroad Company

53

INFORMATION CONCERNING FUNDED DEBT AND GUARANTIES

JUNE 30, 1916

Lehigh Valley Railroad Company

Girard Trust Company, Trustee.
Philadelphia, Pa.
Dated May 15, 1868.

First Mortgage Bonds

Interest 4 per cent., payable June 1 and December 1,
at Company's office, Philadelphia, and J. P. Morgan
& Co., New York.
Principal payable June 1, 1948.

The bonds originally issued reached maturity June 1, 1898, and bore interest at the rate of 6 per cent., but the entire issue was extended for fifty years, with interest at the rate of 4 per cent., by an extension contract attached to the registered form and an extension contract and coupon sheets to the coupon form.

The authorized issue is \$5,000,000, in the denomination of \$1,000 each, all of which are outstanding, \$3,350,000 being in registered form and \$1,650,000 in coupon form.

There is no provision in the mortgage for the exchange of registered bonds for coupon bonds, nor can the coupon bonds be registered. The registered bonds are transferable at the office of the Secretary in Philadelphia.

They are listed on the Philadelphia Stock Exchange.

Property mortgaged: The line of railroad from Phillipsburg, N. J., to Wilkes-Barre, Pa., including sundry branch lines in the coal fields, a total length of 286.22 miles.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh Valley Railroad Company

Fidelity Trust Company, Trustee.
Philadelphia, Pa.
Dated November 13, 1873.

Consolidated Mortgage Bonds

Interest 6 per cent. and 4½ per cent., payable June 1
and December 1, at Company's office, Philadelphia,
and J. P. Morgan & Co., New York.
\$10,400,000 principal payable December 1, 1923.

Authorized issue.....	\$40,000,000
Sterling bonds, issued and since retired.....	\$5,000,000
Reserved under the terms of mortgage to retire \$5,000,000 First Mortgage Bonds of 1868 and \$6,000,000 Second Mortgage Bonds of 1870	12,000,000
	<u>17,000,000</u>
Bonds outstanding.....	\$23,000,000

being 23,000 bonds, in the denomination of \$1,000, as follows:—

BONDS MATURING DECEMBER 1, 1923.

FORM OF BOND	RATE OF INTEREST	NUMBER OF BONDS	
Registered	6 per cent.	4,319	
Coupon	6 per cent.	1,319	
Registered	4½ per cent.	3,093	
Coupon	4½ per cent.	1,669	
		<u>10,400</u>	

PERPETUAL OR ANNUITY BONDS

Registered	6 per cent.	10,062	
Registered	4½ per cent.	2,538	
		<u>12,600</u>	

Total bonds outstanding..... 23,000

Prior to November 13, 1893, the holders of coupon and registered bonds, maturing December 1, 1923, had the privilege of surrendering the same for Annuity Bonds, and a number of bonds were so exchanged. This privilege under the terms of the mortgage, expired November 13, 1893, and the bonds are no longer exchangeable. These Annuity Bonds are a perpetual lien on the Company's property and cannot be retired, except upon default in the payment of interest by the Company.

The mortgage provides for interest at the rate of 6 per cent., but by appropriate action, this rate was subsequently reduced on \$7,300,000 of bonds to 4½ per cent. There is no provision for the registration of the 6 per cent. coupon bonds.

The 4½ per cent. coupon bonds may be registered as to principal only. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds. The registered bonds are transferable at the office of the Secretary in Philadelphia.

They are listed on the Philadelphia Stock Exchange.

Property mortgaged: The main line from Phillipsburg, N. J., to Wilkes-Barre, Pa., and branches, a total of 316.71 miles.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh Valley Railroad Company

INFORMATION CONCERNING FUNDED DEBT AND GUARANTIES (Continued)

JUNE 30, 1916

Lehigh Valley Railroad Company

Girard Trust Company, Trustee.
Philadelphia, Pa.
Dated September 30, 1903.

General Consolidated Mortgage Bonds

Interest 4 per cent. and 4½ per cent., payable May 1
and November 1, at Company's office, Philadelphia,
and J. P. Morgan & Co., New York.
Principal payable May 1, 2003.

The authorized issue is \$150,000,000.

Denomination of coupon bonds \$1,000, of registered bonds \$1,000, \$5,000 and \$10,000. Coupon bonds may be registered as to principal only, or may be exchanged for an equivalent amount of registered bonds. The \$5,000 or \$10,000 registered bonds may be split, or the \$1,000 registered bonds may be consolidated. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds.

These bonds may be registered or transferred at the office of the Secretary in Philadelphia, or at the office of J. P. Morgan & Co., New York.

The following bonds have been issued:—

Bearing interest at the rate of 4 per cent.	\$39,639,000
Bearing interest at the rate of 4½ per cent.	21,697,000
A total of.....	\$61,336,000
Of which there are in the Company's treasury:	
4 per cent. bonds.....	\$13,000,000
4½ per cent. bonds.....	1,000,000
	<u>14,000,000</u>
Leaving outstanding in the hands of the public.....	<u>\$47,336,000</u>

There may yet be issued bonds to the amount of \$88,664,000.

The mortgage provides that bonds may be issued in such denominations and at such rates of interest, not exceeding 5 per cent., as the Board of Directors may prescribe at the time of issue; and the Board of Directors may, at the time of issue, order that such bonds shall, at the election of the holder, be convertible into common stock of the Company, provided that the total amount issued, containing this provision, shall not at any time exceed \$25,000,000. The bonds authorized to be issued thus far are not subject to this provision.

Another feature of this mortgage is that it provides for bonds to be issued thereunder to cover the payment, at maturity, of outstanding bonds of various companies, subsidiary to the Lehigh Valley Railroad Company, by reason of their control through stock ownership.

Generally, this mortgage, by its provisions, is the means of binding together the various railroad properties, owned or controlled by the Lehigh Valley Railroad Company, and enables the Company to provide for the financial needs of the property as a System, rather than through the subsidiary companies forming its integral parts.

They are listed on the New York and Philadelphia Stock Exchanges.

Property mortgaged: The line of railroad from Phillipsburg, N. J., to Wilkes-Barre, Pa., including sundry branches, aggregating 316.71 miles, together with all leases under which the Company operates any railroads, also all real estate owned, and stocks and debentures of subsidiary companies forming constituent parts of the Lehigh Valley System, to an amount of \$59,185,425 par value.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh Valley Railroad Company

Girard Trust Company, Trustee.
Philadelphia, Pa.
Dated November 1, 1905.

Collateral Trust Bonds

Interest 4 per cent., payable February 1 and August 1,
at Company's office, Philadelphia, and J. P. Morgan
& Co., New York.
Final principal payment due February 1, 1926.

The authorized issue of bonds is \$19,000,000, all of which have been issued in the form of coupon bonds of the denomination of \$1,000, and are in series of \$500,000, maturing February 1 and August 1 of each year, beginning August 1, 1907, the date of the final payment being February 1 1926.

As of June 30, 1916, \$9,000,000 of these bonds have been paid off, leaving \$10,000,000 outstanding, of which \$1,056,000 are in the Company's treasury.

They may be registered as to principal only, or as to both principal and interest, at the office of the Secretary in Philadelphia. There is no provision in the Trust Agreement for the exchange of fully registered bonds for coupon bonds.

The Company may redeem these bonds on February 1 or August 1, in any year, at par and 2½ per cent. premium, after sixty days' notice.

Under this Trust Agreement the entire outstanding capital stock of Coxé Brothers & Company, Incorporated, amounting to 58,203 shares, of a par value of \$2,910,150, and also the entire outstanding capital stock of The Delaware, Susquehanna & Schuylkill Rail Road Company, amounting to 30,000 shares, of a par value of \$1,500,000, are deposited as collateral with the Trustee, for the purpose of securing the above issue of bonds.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh Valley Railroad Company

55

INFORMATION CONCERNING FUNDED DEBT AND GUARANTIES (Continued)

JUNE 30, 1916

Lehigh Valley Railroad Company

United States Mortgage and Trust Company, Trustee.
New York City.
Dated October 3, 1907.

Equipment Trust, Series J, Certificates

Interest $4\frac{1}{2}$ per cent., payable March 1 and September 1,
at office of the Company, Philadelphia.
Principal payable in semi-annual instalments of \$250,000
each, to September 1, 1917.

Amount authorized and issued, \$5,000,000, of which \$4,250,000 have been paid off and cancelled.

These certificates are in coupon form of the denomination of \$1,000, and have the privilege of registration as to principal only at the office of the Secretary, Philadelphia.

They are secured by an equipment lease covering 1000 box cars, 1000 steel gondola cars, and 3000 steel coal cars.

Interest on these bonds is payable without deduction on account of taxes.

Easton and Northern Railroad Company

Girard Trust Company, Trustee.
Philadelphia, Pa.
Dated October 7, 1895.

First Mortgage Bonds

Interest $4\frac{1}{2}$ per cent., payable May 1 and November 1,
at office of Lehigh Valley Railroad Company, Philadelphia.
Principal payable November 1, 1935.

The authorized issue is \$300,000, all of which are outstanding. They were originally issued in coupon form in the denominations of \$1,000 and \$500 and may be registered as to principal only, or as to both principal and interest, at the office of the Secretary in Philadelphia. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest by endorsement.

\$249,000 of these bonds are owned by the Lehigh Valley Railroad Company.

They are listed on the Philadelphia Stock Exchange.

Property mortgaged: The line of railroad extending from Easton, Pa., to Belfast, Pa., together with sundry branches, a total length of 12.78 miles.

Interest on these bonds is payable without deduction on account of taxes.

Pennsylvania and New York Canal and Railroad Company

Girard Trust Company, Trustee.
Philadelphia, Pa.
Dated November 13, 1888.

Consolidated Mortgage Bonds

Interest 5 per cent., $4\frac{1}{2}$ per cent., and 4 per cent., payable
April 1 and October 1, at office of Lehigh Valley Railroad Company, Philadelphia.
Principal payable April 1, 1939.

The authorized issue is \$10,000,000, of which there are issued and outstanding \$8,500,000, as follows:—

Bearing interest at the rate of 5 per cent.,	\$4,000,000
Bearing interest at the rate of $4\frac{1}{2}$ per cent.,	1,500,000
Bearing interest at the rate of 4 per cent.,	3,000,000

\$8,500,000

They were originally issued in the form of registered bonds, of the denomination of \$1,000. The mortgage provides for interest at the rate of 5 per cent., but by appropriate action, this rate was subsequently reduced on \$1,500,000 of bonds to $4\frac{1}{2}$ per cent., and on \$3,000,000 of bonds to 4 per cent. They are transferable at the office of the Secretary in Philadelphia. There is no provision in the mortgage for the issuance of coupon bonds.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest of these bonds by endorsement thereon.

They are listed on the Philadelphia Stock Exchange.

Property mortgaged: The line of railroad extending from Wilkes-Barre, Pa., to New York State line at Sayre, Pa., together with sundry branches, a total length of 137.08 miles.

Interest on these bonds is payable without deduction on account of taxes.

The Lehigh Valley Rail Way Company

Girard Trust Company, Trustee.
Philadelphia, Pa.
Dated June 23, 1890.

First Mortgage Bonds

Interest $4\frac{1}{2}$ per cent., payable January 1 and July 1, at
office of Lehigh Valley Railroad Company, Philadelphia, and J. P. Morgan & Co., New York.
Principal payable July 1, 1940.

The authorized issue is \$15,000,000, all of which are outstanding. They were originally issued in the form of coupon bonds of the denomination of \$1,000.

These bonds may be registered as to principal only, or as to both principal and interest, at the office of the Secretary in Philadelphia, or at the office of J. P. Morgan & Co., New York. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest of these bonds by endorsement thereon.

They are listed on the New York and Philadelphia Stock Exchanges.

Property mortgaged: The line of railroad extending from Pennsylvania State Line (Sayre) to Buffalo, N. Y., with branches, a total length of 514.22 miles. In addition, the lien of this mortgage covers what is known as the "Tift Farm Terminal," having a frontage of 6,212 feet on Lake Erie, containing about 519 acres, upon which various docks, warehouses and freight shipping facilities are located.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh Valley Railroad Company

INFORMATION CONCERNING FUNDED DEBT AND GUARANTIES (Continued)

JUNE 30, 1916

Middlesex Valley Railroad Company

Central Trust Company, Trustee.
New York City.
Dated August 26, 1892.

First Mortgage Bonds

Interest 5 per cent., payable May 1 and November 1, at office of Lehigh Valley Railroad Company, Philadelphia, and J. P. Morgan & Co., New York.
Principal payable November 1, 1942.

The authorized issue is \$600,000, all of which are outstanding. They were originally issued in the form of coupon bonds of the denomination of \$1,000, and may be registered as to principal only at the office of the Secretary in Philadelphia, or at the office of J. P. Morgan & Co., New York.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest.

\$400,000 of these bonds are owned by the Lehigh Valley Railroad Company.

Property mortgaged: That portion of the line of The Lehigh Valley Rail Way Company, extending from Geneva, N. Y., to Naples, N. Y., a total length of 29.42 miles.

The Company does not assume the Federal Income Tax on these bonds.

The Lehigh and Lake Erie Railroad Company

United States Mortgage and Trust Company, Trustee.
New York City.
Dated March 1, 1907.

First Mortgage Bonds

Interest 4½ per cent., payable March 1 and September 1, at office of Lehigh Valley Railroad Company, Philadelphia, and J. P. Morgan & Co., New York.
Principal payable March 1, 1957.

The authorized issue of bonds under this mortgage is \$3,000,000, all of which are outstanding. They were originally issued in the form of coupon bonds of the denomination of \$1,000.

These bonds may be registered as to principal only, or as to both principal and interest, at the office of the Secretary in Philadelphia. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds.

The Company may redeem these bonds on March 1 or September 1, in any year at par and 5 per cent. premium, after sixty days' notice.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest of these bonds by endorsement thereon.

Property mortgaged: That portion of the line of The Lehigh Valley Rail Way Company, extending from Tift Farm Junction to Tift Farm Terminal, Buffalo, N. Y., a total length of 10.93 miles.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh and New York Railroad Company

Metropolitan Trust Company, Trustee.
New York City.
Dated August 24, 1895.

First Mortgage Bonds

Interest 4 per cent., payable March 1 and September 1, at office of Lehigh Valley Railroad Company, Philadelphia, and J. P. Morgan & Co., New York.
Principal payable September 1, 1945.

The authorized issue is \$2,000,000, all of which are outstanding. They were originally issued in the form of coupon bonds of the denomination of \$1,000. These bonds may be registered as to principal only, or as to both principal and interest, at the office of the Secretary in Philadelphia, or at the office of J. P. Morgan & Co., New York. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest of these bonds by endorsement thereon.

They are listed on the New York Stock Exchange.

Property mortgaged: The line of railroad extending from Pennsylvania State Line (Sayre) to North Fair Haven, N. Y., a total length of 115.37 miles.

Interest on these bonds is payable without deduction on account of taxes.

Easton and Amboy Railroad Company

Provident Life and Trust Company, Trustee.
Philadelphia, Pa.
Dated April 13, 1880.

First Mortgage Bonds

Interest 5 per cent., payable May 1 and November 1, at office of Lehigh Valley Railroad Company, Philadelphia.
Principal payable May 1, 1920.

The authorized issue is \$6,000,000, all of which are outstanding. They are registered in form, and are of the denomination of \$1,000. They are transferable at the office of the Secretary in Philadelphia. There is no provision in the mortgage for the issuance of coupon bonds.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest of these bonds by endorsement thereon.

They are listed on the Philadelphia Stock Exchange.

Property mortgaged: That portion of the line of the Lehigh Valley Railroad Company of New Jersey, extending from Phillipsburg, N. J., to Perth Amboy, N. J., together with sundry branches, a total length of 69 miles.

Interest on these bonds is payable without deduction on account of taxes.

Lehigh Valley Railroad Company

57

INFORMATION CONCERNING FUNDED DEBT AND GUARANTIES (Continued)

JUNE 30, 1916

Lehigh Valley Terminal Railway Company

Central Trust Company, Trustee.

New York City.

Dated October 1, 1891.

First Mortgage Bonds

Interest 5 per cent., payable April 1 and October 1, at office of Lehigh Valley Railroad Company, Philadelphia, and J. P. Morgan & Co., New York.

Principal payable October 1, 1941.

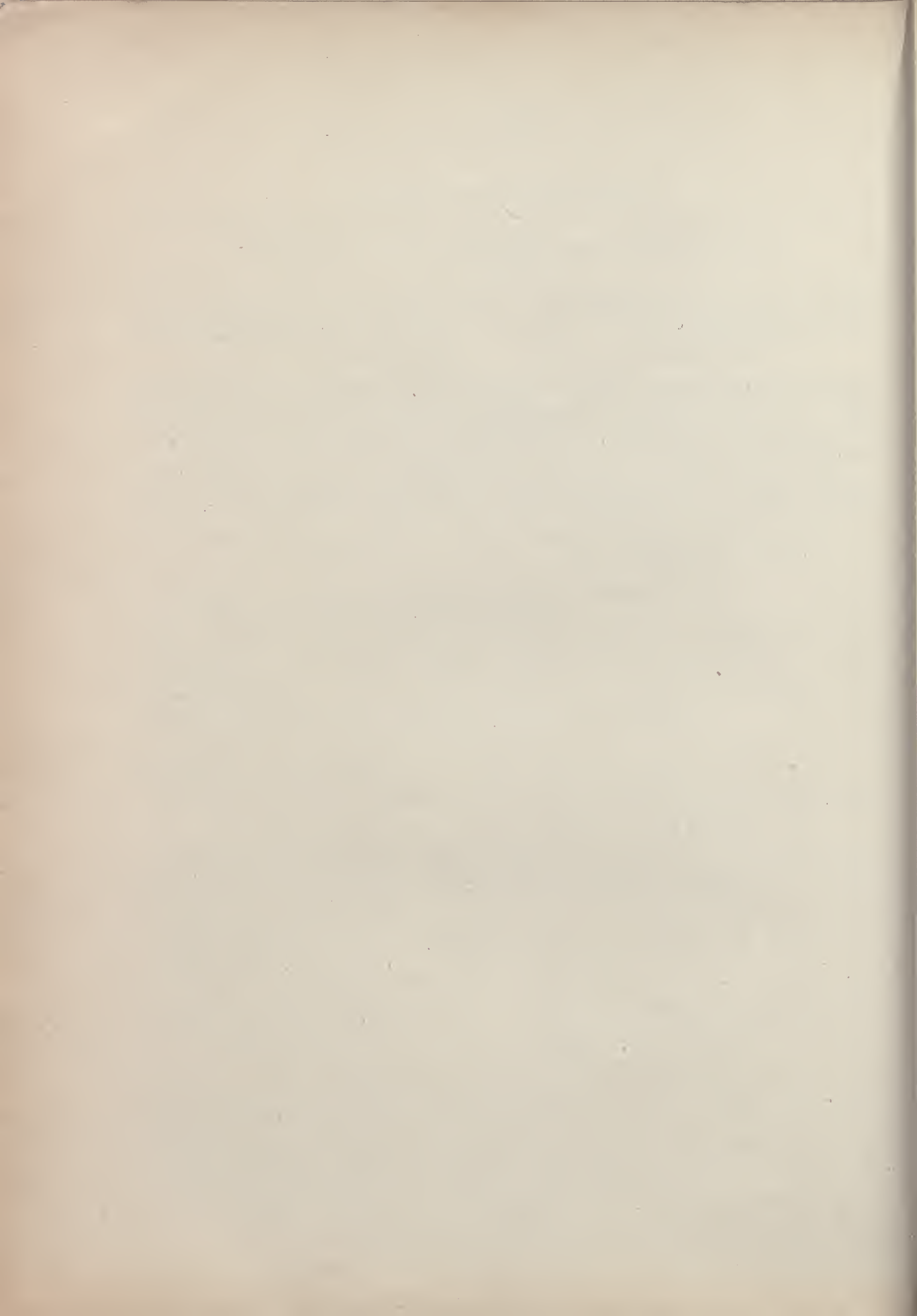
The authorized issue is \$10,000,000, all of which are outstanding. They were originally issued in the form of coupon bonds of the denomination of \$1,000. These bonds may be registered as to principal only, or as to both principal and interest, at the office of the Secretary in Philadelphia, or at the office of J. P. Morgan & Co., New York. There is no provision in the mortgage for the exchange of registered bonds for coupon bonds.

The Lehigh Valley Railroad Company guarantees the payment of both principal and interest of these bonds by endorsement thereon.

They are listed on the New York and Philadelphia Stock Exchanges.

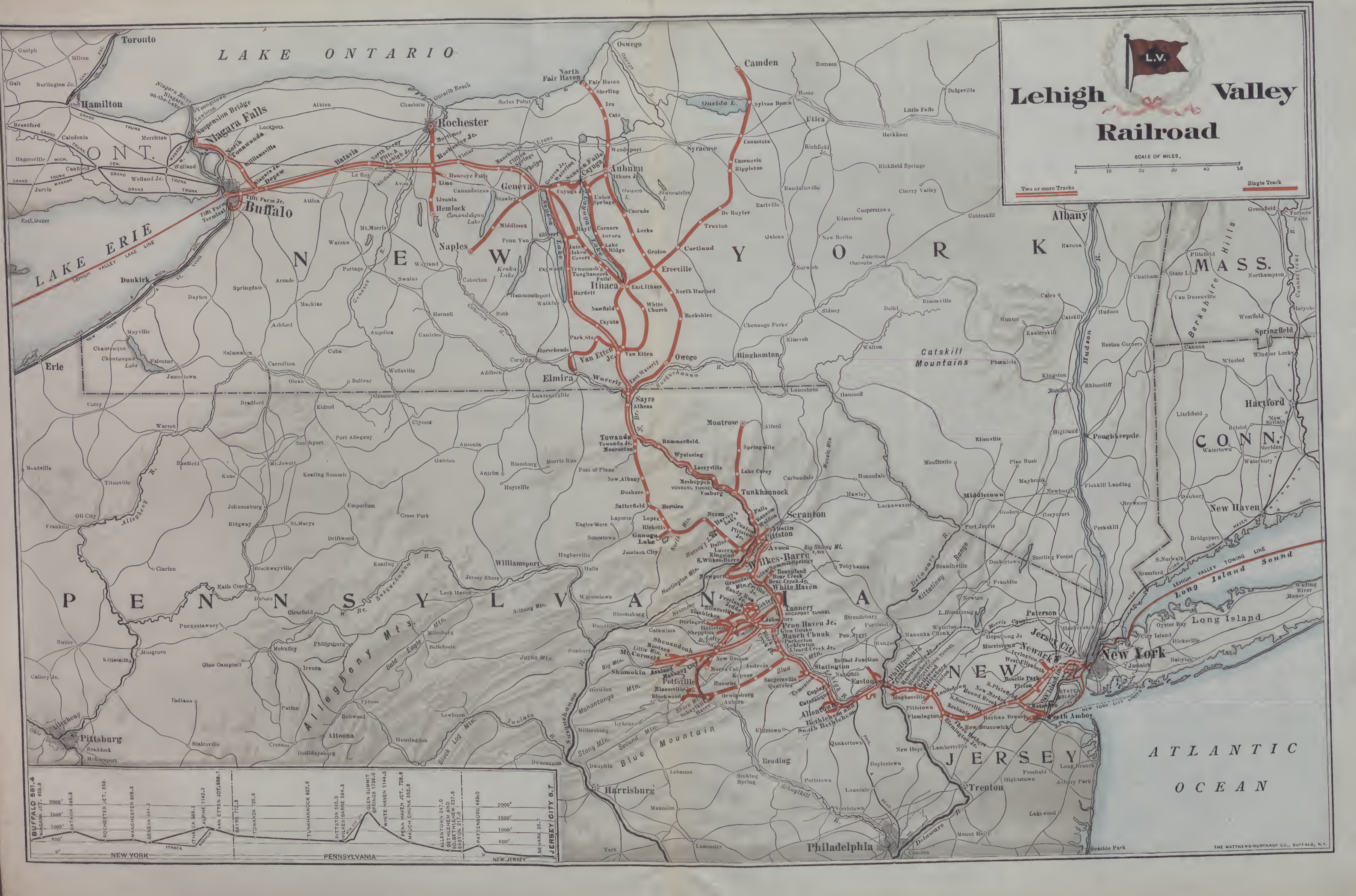
Property mortgaged: That portion of the line of the Lehigh Valley Railroad Company of New Jersey, extending from South Plainfield, N. J., to Constable Junction, N. J., together with sundry branches, a total length of 27.90 miles, and in addition thereto the terminal property at Jersey City, N. J., comprising 126.83 acres.


Interest on these bonds is payable without deduction on account of taxes.











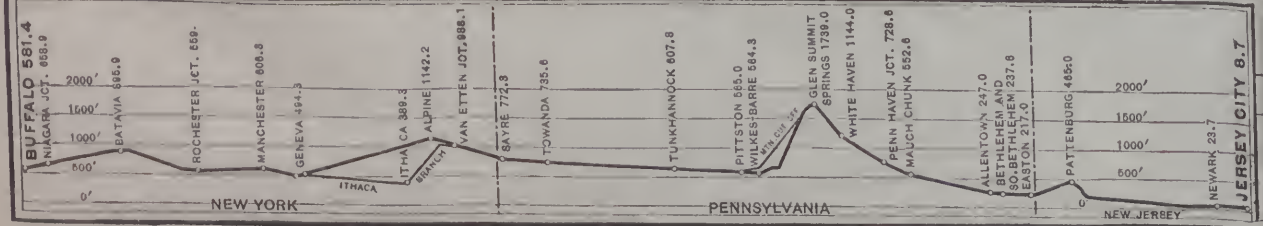
Lehigh Valley Railroad

SCALE OF MILES.

0 10 20 30 40 50

Two or more Tracks

Single Track



Valley

Adair

Adair

Adair

